



Daily Report

Soviet Union

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Bogachev Notes Kampelman's 'New Arguments'
LD2710194888 Moscow TASS in English 1920 GMT
27 Oct 88

[Text] Moscow October 27 TASS—By TASS military writer Vladimir Bogachev:

In an interview to the Japanese television network NHK, Max Kampelman, U.S. chief negotiator at the Soviet-U.S. talks on nuclear and space arms, said again that Washington is determined to prevent the inclusion in a treaty on strategic offensive arms, being worked out, by any restrictions on sea-launched cruise missiles.

And quite recently the self-same Kampelman tried to justify the United States refusal to restrict the deployment of sea-launched Cruise missiles by "difficulties of verification".

But these arguments burst, alongside the myth about the United States firm adherence to the idea of comprehensive on-sight inspection. The U.S. side, specifically, rejected the USSR's proposals for a joint experiment on distance control which envisaged detecting sea-launched cruise missiles on naval ships by technical means. Washington had no wish to discuss in earnest other Soviet proposals on the control of sea-launched Cruise missiles.

Finally, the Pentagon announced that it is in general against any inspections on U.S. naval ships no matter how effective they are. Representatives of the U.S. Department of Defence declared that American sailors will never agree to the presence of Russian inspectors on U.S. naval ships.

And now, in an interview to the Japanese television network, Kampelman unexpectedly advanced a new argument in favour of preserving U.S. sea-launched Cruise missiles. He asserted that the United States has no intention of applying a treaty on strategic offensive arms to sea-launched Cruise missiles since, don't you see, the United States has no overland ties with Japan or with friends in Europe. Doesn't the head of the U.S. Delegation intend to improve these ties by using sea-launched cruise missiles for the delivery of diplomatic mail from Washington to Tokyo or to London?

The unwillingness of the U.S. delegation at the talks in Geneva to reach agreement on sea-launched Cruise missiles is apparent. Meanwhile, during the Washington summit, President of the United States Ronald Reagan agreed to look for mutually acceptable solutions on sea-launched cruise missiles. And this has been registered in the joint Soviet-American statement. It is through the fault of the U.S. side that the implementation of that arrangement has been stalled. There are all grounds for thinking that Washington counts on achieving new advantages on SLCM'S. This is precisely what explains the United States' unconstructive stand on this matter.

Shevardnadze Leaves for Warsaw Pact Meeting
*LD2710172088 Moscow TASS in English 1655 GMT
27 Oct 88*

[Text] Moscow October 27 TASS—By TASS diplomatic correspondent:

Member of the Politburo of the Soviet Communist Party Central Committee, foreign minister of the USSR Eduard Shevardnadze, left Moscow for Budapest today to attend a meeting of the Foreign Ministers' Committee of the Warsaw Treaty member-states. [A Moscow TASS in English report at 1456 GMT on 27 October adds that Shevardnadze "was seen off at the airport by Aleksandr Yakolev, member of the Politburo and secretary of the Soviet Communist Party Central Committee, and other officials."]

The participants in the meeting are expected to discuss the situation in Europe and the world as a whole, paying special attention to the tasks facing the Warsaw Treaty countries in connection with the forthcoming negotiations on reduction of troops and conventional armaments in Europe. The Soviet Union and its allies put forward a number of proposals which provide for substantial and equal reductions of these armaments.

Representatives of 23 Warsaw Treaty and NATO member-countries are completing in Vienna the elaboration of the mandate of negotiations on troops and conventional armaments. The preamble, the aims of the negotiations, questions of control and information, and the composition have been agreed upon. Things are moving to agreement on the wording on the subject of negotiations.

As far as one can judge by the course of the Vienna meeting, most of its participants hope with good reason that the negotiations will open before the end of the year. The Soviet Union stands firmly for that.

The foreign ministers of the socialist countries intend to discuss in Budapest also questions linked with the forthcoming second stage of the conference on confidence- and security-building measures and disarmament in Europe ("Stockholm-2"). The first stage of the conference is known to have ended in Stockholm on September 19, 1986 by the adoption of the concluding document aimed at broadening mutual understanding and making the European continent a region of durable peace and cooperation.

Through joint efforts the participating states were able to overcome differences and reach accords on a number of key matters. The participants in the forum reaffirmed they would refrain from the use of troops against another state, specifically from invading or attacking its territory.

But the Stockholm conference failed to agree on all matters the solution of which would fully guarantee establishment of firm foundations of confidence and security in Europe. The measures on limitation of military activity, which were agreed upon at the conference, concern only land troops, and do not involve air and naval forces—the most dangerous components of the Armed Forces. This problem and also questions of disarmament should be put on the "Stockholm-2" agenda.

Arrives in Budapest

*LD2710190988 Moscow TASS in English 1758 GMT
27 Oct 88*

[Text] Budapest October 27 TASS—Eduard Shevardnadze, a member of the Politburo of the Soviet Communist Party Central Committee and foreign minister of the USSR, arrived here today.

He was welcomed at the airport by Hungarian Foreign Minister Peter Varkonyi and other officials.

'Government Statement' on Krasnoyarsk Radar
LD2810100188 Moscow PRAVDA in Russian
28 Oct 88 Second Edition pp 1,7

["Soviet Government Statement"—PRAVDA headline]

[Text] The timeless treaty between the Union of Soviet Socialist Republics and the United States of America on the limitation of the anti-ballistic missile systems has been operating since October 3, 1972. Signing this document, the Soviet Union and the United States recognized at state level the justice of the provision recorded in its preamble that "effective measures to limit anti-ballistic missile systems would be a substantial factor in curbing the race in strategic offensive arms and would lead to a decrease of the risk of an outbreak of war involving nuclear weapons." The USSR and the United States thus proclaimed that in the nuclear age mutual restraint in the area of anti-missile defense opens an opportunity to arrest the race in strategic arms, to ensure the stability of the strategic situation, to consolidate international security and to lessen the threat of a global nuclear catastrophe.

In the period of more than 16 years of its existence, the ABM Treaty has been one of the most important agreements in the system of international treaty-based commitments. It can be said with confidence that in present-day conditions, when the question of working out a comprehensive concept of international peace and security becomes particularly topical, the preservation and consolidation of the ABM Treaty has an even greater importance. All these circumstances prompt the Soviet Union to declare invariably for the precise and unswerving observance of the treaty, for the preservation and consolidation of its regime.

Firmly declaring its adherence to the aims and tasks of the ABM Treaty, the USSR will continue insisting on strict observance of all the provisions of this important document of international law. We confirm this principled line by concrete practical steps. In order to remove contentious issues regarding the observance of the provisions of the treaty, the Soviet Union, out of good will, recently made a proposal to create on the basis of the Krasnoyarsk radar a center of international cooperation in the use of outer space for peaceful purposes, which could be included in the world space organization.

The Soviet Government has decided to turn over the Krasnoyarsk radar to the USSR Academy of Sciences. The Soviet side is ready to discuss at expert level with the United States and other nations concerned specific measures that will allow transforming the Krasnoyarsk radar into such a center, including by dismantling and remaking individual means and structures and fitting it out with additional required equipment.

In connection with the new proposal advanced by Mikhail Gorbachev on September 16, 1988 concerning the creation on the basis of the Krasnoyarsk radar of a center

of international cooperation in the use of outer space for peaceful purposes, the October 1987 moratorium announced by the Soviet Union on all work conducted at the station remains in force.

The U.S. side has expressed concern over individual elements that remained after the radars, called Flat Twin and Pawnshop in the United States, had been dismantled at the Sary-Shagan test range. These elements are now situated in the areas of Gomel and Moscow, and it is intended to use them for purposes of the national economy, which is not against the clauses of the ABM Treaty. Guided by the interests of preserving and reinforcing the ABM Treaty, we are ready to undertake another constructive step in that direction and destroy the elements of flat twin and pawn shop radars in the areas of Gomel and Moscow. Concrete questions of practical implementation of this proposal and other matters causing concern of the sides and connected with the observance of the ABM treaty could be considered by the sides, specifically, in the framework of the Soviet-U.S. standing consultative commission at its regular session in Geneva this Autumn.

In turn, the Soviet Union firmly believes that the United States will take steps to remove the USSR's concern over the violation of the ABM Treaty as a result of the deployment of a large U.S. phased-array radar in Greenland and the construction of a similar radar in Great Britain. By carrying out such far-reaching steps as a good will gesture, the Soviet Union proceeds from the premise that both sides will adopt a strict and responsible attitude to issues of observing all provisions of the ABM Treaty in the form it was signed in 1972.

Gerasimov Conducts News Briefing 27 October

Reads Statement on Krasnoyarsk Radar
LD2710144888 Moscow TASS in English 1437 GMT
27 Oct 88

[Text] Moscow October 27 TASS—The Soviet Government has decided to hand over the Krasnoyarsk radar to the USSR Academy of Sciences, says a Soviet Government statement read out by Foreign Ministry spokesman Gennadiy Gerasimov at a briefing here today.

"The Soviet side is ready to discuss at expert level with the United States and other nations concerned specific measures that will allow transforming the Krasnoyarsk radar into a centre of international cooperation in the use of outer space for peaceful purposes, including by dismantling and remaking individual means and structures and fitting it out with additional required equipment," the statement said.

The statement recalled that the October 1987 moratorium announced by the Soviet Union on all work conducted at the station remained in force.

The American side had expressed concern over individual elements that remained after the radars, called Flat Twin and Pawn Shop in the United States, had been dismantled at the Sary-Shagan test range.

Guided by the interests of preserving and reinforcing the ABM Treaty, the statement said, the Soviet side was ready to undertake another constructive step in that direction and destroy the elements of the Flat Twin and Pawn Shop radars in the areas of Gomel and Moscow.

In turn, the Soviet Union firmly believed that the United States would take steps to remove the USSR's concern over the violation of the ABM Treaty as a result of the deployment of a large American phased-array radar in Greenland and the construction of a similar radar in Great Britain.

"By carrying out such far-reaching steps as a goodwill gesture, the Soviet Union proceeds from the premise that both sides will adopt a strict and responsible attitude to issues of observing all provisions of the ABM Treaty in the form it was signed in 1972," the Soviet Government state said.

Terms U.S. Official's Remarks 'Strange'
LD2710184188 Moscow TASS in English 1811 GMT
27 Oct 88

[Text] Moscow October 27 TASS—A Soviet Foreign Ministry spokesman today described as being "at least strange" remarks by the U.S. representative to the United Nations, who has said that his country respects and supports the International Court of Justice, while in fact it has never recognized the court ruling binding the United States to pay damages to Nicaragua over the mining of Nicaraguan harbors by C.I.A. mercenaries.

Spokesman Gennadiy Gerasimov, chief of the ministry's Information Directorate, said at a briefing here that the U.S. actions are at odds with what the world community thinks should be done.

He recalled that the U.N. General Assembly by a majority of votes October 25 passed a resolution urging the United States to comply fully and immediately with the court ruling, which was made June 27, 1986.

Gerasimov said President Reagan's decision to deny entry in the United States to most representatives of the Nicaraguan Government and other leading figures from Nicaragua, a decision seen by many as retaliation for the U.N. General Assembly's resolution, is another breach of international law.

Speaking of the situation in Afghanistan, the spokesman said that armed opposition groups in Qandahar, Paktia and Zabul Provinces have suffered considerable manpower and material losses as a result of operations by Afghan army units.

Gerasimov said Afghan President Najibullah has received a personal letter from West German President Richard von Weizsaecker, requesting the release of two West German nationals arrested for illegal entry in Afghanistan.

Najibullah told the charge d'affaires ad interim of the Federal Republic of Germany that despite the obvious violation of Afghan laws and generally accepted international norms by the two West Germans, he is prepared to give instructions for a special commission to be formed to work out procedures for their release.

Gerasimov described as "movement towards taking balanced and realistic decisions" a recent statement by the Palestine Liberation Organization in connection with November 1 parliamentary elections in Israel.

He reminded reporters that the statement reiterated a commitment to a peaceful settlement of the Arab-Israeli conflict and readiness to take part in talks with the Israeli Government within the framework of an international conference.

"This policy line of the PLO leadership, realizing its responsibility for the future of the Palestinian people and peace in the Middle East, is positively evaluated in the Soviet Union," Gerasimov said.

But this balanced line has not yet, regrettably, evoked a response in the Israeli leadership, he added. "Just like people elsewhere in the world, we cannot but strongly condemn the latest inhuman attacks on civilians in occupied Arab territories, wide use of plastic bullets and gases, and raids against Palestinian refugee camps in Lebanon," Gerasimov said.

It is essential, he stressed, to break the vicious circle of enmity and violence in the Middle East without delay and start practical action to defuse the Arab-Israeli conflict.

Gerasimov announced that Soviet-American consultations on problems in Asia and the Pacific will take place in Paris on November 2-3. The Soviet delegation will be led by Deputy Foreign Minister Igor Rogachev.

'No Obstacles' to Completing CSCE Meeting
LD2710144588 Moscow TASS in English 1437 GMT
27 Oct 88

[Text] Moscow October 27 TASS—"The Vienna meeting of countries members of the Conference on Security and Cooperation in Europe has entered into the final stage. We believe that no serious obstacles exist in the way of completing it at the level of foreign ministers in November," Gennadiy Gerasimov, head of the Information Directorate of the USSR Foreign Ministry, told a news briefing today.

He noted that the Soviet side closely studied the finalized drafts of the main sections of the final document, prepared by coordinators from a group of neutral and non-aligned countries. "The very step taken by the coordinators to speed up the work of the Vienna meeting is undoubtedly positive," Gennadiy Gerasimov said. "True, the draft does not fully take into account the positions of the Socialist countries, but the coordinators' willingness to make compromises, which are indispensable at the Vienna meeting, is obvious."

The Soviet spokesman said further that the issue of subsequent common European measures was assuming top priority in Vienna. The Soviet Union intends to continue further to uphold the proposal to hold a humanitarian conference in Moscow in 1991, which must become the third such meeting within the framework of the CSCE conference on human dimension. "In this context we are ready to promote the other meetings in Paris next year and in Copenhagen in 1990."

Gennadiy Gerasimov said that the USSR also favoured holding the new talks on reducing the armed forces and armaments in Europe from the Atlantic to the Urals already this year. "Vienna is called upon to open a qualitatively new stage of detente and cooperation in Europe in all areas," he stressed.

Shevardnadze To Attend Pact Meeting

LD2710135988 Moscow TASS in English 1323 GMT
27 Oct 88

[Text] Moscow October 27 TASS—Soviet Foreign Minister Eduard Shevardnadze leaves today for Budapest to attend a meeting of the Warsaw Treaty for 'foreign ministers' committee, a Soviet Foreign Ministry spokesman told a briefing here today.

The committee will begin its work tomorrow, said Gennadiy Gerasimov, head of the ministry's Information Directorate.

The foreign ministers from the allied countries will discuss topical issues of world politics, European security and cooperation.

Asia-Pacific Conference Issues Communiqué

LD2110200088 Moscow TASS in English 1937 GMT
21 Oct 88

[Text] Pyongyang October 21 TASS—The need to step up the struggle for an end to the arms race, above all that of nuclear arms, for the elimination of seats of tension, solution of burning problems in Asia and the Pacific is emphasized in a communiqué adopted by an international conference "For Nuclear Weapons Free Korean Peninsula, for Peace and Security in the Asia-Pacific Region". The conference ended here today.

The communiqué welcomes the conclusion of the Geneva accords on Afghanistan and emphasized their importance as a patent example of settling regional conflicts, calls for support for the creation of a zone of peace, neutrality and cooperation in South East Asia and for turning the Indian Ocean into a peace zone. The delegates declared against the militarisation of Japan, for an end to France's nuclear testing in the Pacific.

The resolution on Korea adopted by the conference says that replacing the agreement on armistice in Korea with a peace treaty and adoption of a joint North-South non-aggression pact, a reduction of the armed forces of the DPRK and South Korea, withdrawal of U.S. troops and nuclear weapons from South Korea and turning the Korean peninsula into a peace zone free from nuclear weapons would be of much importance for easing tension in the Korean peninsula.

Foreign Ministry Official Addresses UN

LD2710135288 Moscow TASS in English 1339 GMT
27 Oct 88

[Text] New York October 27 TASS—Valentin Nikiforov, USSR deputy foreign minister, addressed the fifth committee of the U.N. General Assembly (administrative and budgetary questions) on the agenda item personnel questions.

The Soviet representative backed the conclusion made by many delegates that a rise in the role and importance of the U.N. was inseparable from ensuring a healthy personnel and financial basis of the organization, greater efficiency and economical operation of its secretariat.

At the same time he noted that the disbalance which had existed even earlier, in a just geographic representation at the U.N. Secretariat of citizens of all member states sharply increased in the process of carrying out the administrative reform, which was a violation of a statutory principle. The deputy minister pointed out that in fact the USSR was not represented at key posts at such important services as personnel, administrative and budgetary, social and economic divisions of the secretariat.

On its part, Valentin Nikiforov pointed out, the Soviet Union takes practical measures aimed at raising quality of its participation in the operation of secretariats of international organizations, especially the U.N., and at making Soviet citizens recruited to work at them an example of high efficiency and competence.

Assessing favourably efforts at raising the number of women at the U.N. Secretariat, he noted that the Soviet Union was looking for ways of increasing the number of Soviet women specialists for work at the U.N.

The soviet representative resolutely stood out for all-round expansion of legal guarantees of safety and protection of international civil servants from illegal actions of local authorities. Unilateral discriminatory measures

of the U.N. headquarters' host country with respect to staff members from socialist and some other countries, he pointed out, are a crude violation by this country of its international obligations with respect to the U.N.

In conclusion Valentin Nikiforov expressed the hope that the administrative, budgetary and personnel reorganization, in progress at the U.N., would result in establishing a highly efficient and economical mechanism which would serve the entire international community. He assured the U.N. that it can count on full support on the part of the USSR in these matters.

Anniversary of Nuclear Accident Convention Noted
LD2710134688 Moscow TASS in English 1158 GMT
27 Oct 88

[Text] Moscow October 27 TASS—By TASS diplomatic correspondent:

Today over 70 states have signed the convention on early notification of a nuclear accident, the second anniversary of whose coming into force is marked on October 27. 31 of the total are its official participants.

The convention is based on the principle envisaging that in case an accident occurs at a nuclear plant, as a result of which a trans-boundary discharge of radioactive substances takes place or can take place, a state where the plant is situated is obliged to supply information enabling other states to take adequate measures to bring to a minimum radiation consequences of the accident. Similar information is sent to the IAEA director general

Luckily, the convention has not been used even once in the past two years. At the same time ideas on which it is based, work. This is corroborated by Soviet actions at the final stage of a flight of the Soviet satellite Cosmos-1990 having aboard a nuclear power plant of the reactor type. Despite the fact that the situation with the Cosmos-1990 with which radio communication was lost, does not fall under the terms of the convention, the Soviet Union, guided by the spirit of this document and displaying a goodwill, supplied the IAEA director general and through him all other states with detailed information on the satellite reactor and possible versions of completion of the flight. The finale of this event was quite happy: A safety system was automatically activated on the satellite, it separated the reactor's active zone from the body and put it into an orbit of prolonged operation.

The convention provides for a chance of concluding by participating states bilateral and multilateral agreements which specify their mutual obligations in case of a nuclear accident. The Soviet Union concluded such bilateral agreements with Finland, Denmark, Sweden, Norway, Austria and the FRG. The characteristic feature of these bilateral agreements is that apart from obligations on a notification about an accident, they also

contain a provision on an exchange of information on nuclear plants, which is being made for raising efficiency of measures to protect population.

LE MONDE Defines 'Common European Home'
PM2710084688 Paris LE MONDE in French
25 Oct 88 p3

[Bernard Guetta dispatch: "Gorbachev's Leitmotif: 'Common European Home'"]

[Text] Moscow —When someone like Gorbachev continually refers to such an attractive idea as that of the "common European home" you could expect its substance to be clear and its definition complete. However, as Chancellor Kohl arrives in Moscow, immediately following the visits there by the Austrian chancellor and Italian prime minister and a month before Mitterrand's visit, this "common home" remains shrouded in mystery.

According to an official of the Institute of the World Economy and International Relations, "it is both an objective and a process." The explanation given at the Foreign Ministry is that "the word 'home' must not imply something static" and that "it is in fact an evolving architecture." The emphatic message at the Central Committee is that "the building details are not clear to anyone."

In other words, Gorbachev, his press, and his diplomacy are publicizing a future home with no plans, but it should not be concluded from this that it is simply trying to sell hot air. With these three words, the restructuring team are in fact pursuing three major objectives: to alter the USSR's image in Western Europe, to facilitate long-standing ambitions, and at last to indicate a change of approach and mentality that the general secretary and his supporters consider vital to the country's future.

If someone tells you he is building a common home he is assuring you, first and foremost, of his desire to maintain neighborly relations with you. The main idea is stability and security. The idea of a community suggests that of similarity.

Product Redefinition [subhead]

Each word of this expression signifies: "We are no longer as you think." We are no longer a threat, but the other sons of an Earth that cannot yield its full potential without either you or us. In advertising jargon this is called "product redefinition" and, regardless of what Soviet officials may aver, demand can only facilitate Moscow's constant desire to drive a wedge into the Atlantic alliance.

The assertion that Europe is the common home of all Europeans of course implies that the Americans have little place there. This has always been the opinion of the USSR, whose new leaders have realized that the surest way to reduce the American presence on this side of the

Atlantic is not to press for disarmament but to proffer an outstretched hand and to disarm themselves. However, this is not at all the opinion of the West European governments, for whom a glance at the map shows the danger of their having to confront the world's largest country on their own.

Naturally Gorbachev follows Brezhnev or Stalin in this context but it all becomes more complex when you take into account the factors underlying the desire for reform. Though the general secretary may appear to incline more naturally toward enlightened despotism than totalitarian stupidity, his action is attributable primarily to the complete exhaustion of the system that he has inherited. The chaos, the shortages, the scientific lag, the scourge of corruption, and the national tensions threaten to turn this superpower into a giant destroyed by sickness.

Lifestyles [subhead]

It is the empire's whole power that is threatened and, though it may be impossible to define this "common European home," the reason for the dream is easy to explain. According to one of the people working on the project, "the idea stems from the realization that the military contraposition in Europe was both futile and dangerous and that, generally speaking, the danger is not of an attack but of a crisis sliding out of control, of the emergence of environmental problems, of the impossibility of our joining the world market because of the bloc mentality, and of our exhausting ourselves through military expenditure.

"This approach," he continued, "stemmed from the realization that the competition will be conducted not in the field but in that of lifestyles and that we were not in a winning position there on account of our defense spending." A different, but very similar, explanation was provided at the Central Committee: "Previously," we were told, "the theory was that there were two world economies—capitalism and socialism. We eventually realized that in fact there is only one and that everything must be reappraised from this viewpoint."

Of course, but where specifically does this lead? "We know what we must abandon," we were told at the Foreign Ministry: "confrontation, mistrust, the arms race, and the alienation between the two halves of Europe—despite the depth of our shared cultural roots." "We must substitute the solidarity reflex for that of confrontation, and we can already see signs of such a development in the calm response on one hand to the events in New Caledonia and on the other to those in Nagorno-Karabakh."

"Neither side," the diplomat continued, "tried to harm the other, and the evolution of events depends on the intensification of this solidarity reflex, in other words"—he added with regard to the Polish crisis—"whether the

desire is to exploit local situations or, on the contrary, to confine problems, because a crisis on one side has repercussions on the other."

The idea is burgeoning among scholars, tempered by professionalism at the Foreign Ministry, and broached openly at the Central Committee, but everywhere the concept verges on wishful thinking. The ultimate objective is a Europe free from blocs in a nuclear-free world. The stages on this road are the strengthening of economic ties, the establishment of cultural unity, a "revolutionary change" on human rights, and of course the acceleration of the nuclear and conventional arms reduction process begun by the Euromissiles treaty.

What about the French and British strike forces? It was unanimously explained that there is no question of demanding their dismantlement outside a process of general relinquishment of nuclear weapons. What about the American presence in Europe? The answers were more subtle and not always clear, but realism demands that America be recognized as part of Europe, if only economically.

What about Germany? The maintenance of two states is a cornerstone of the "common home" but their rapprochement is irreversible and this detente itself ensures that a reunification process is by no means inevitable. Furthermore, together with these few fundamental certainties there are also some uncertainties.

Elimination of Blocs [subhead]

The explanation given here, with solid conviction, is that the elimination of the military blocs does not entail a danger of the peoples democracies' turning their backs ipso facto on the USSR, because they must consider their outlets and the fact that their borders are protected by their ties with Moscow and that the impetus for reform currently comes from the Kremlin. The explanation given there, however, is that Central Europe's constant tendency to strengthen its ties with the West poses a problem and that "we sometimes have the impression that we are disintegrating while Western Europe is uniting."

The prospect of military integration in the West is also prompting an open debate in Moscow. "Some say," was the comment at the Central Committee, "that it would not really change the balance of forces but would on the contrary make Europe more independent of the United States. Others, however, including the entire military, believe that it could be politically dangerous because there would no longer be a Warsaw Pact in the East, whereas in the West there would be the European entity plus the American entity."

So not everyone is marching in step behind the banner of the "common home," but there are three key ideas shared both by those pleased to be having to move and those regretfully resigned to it.

First, the strength and cohesion of the blocs are "more and more of an economic nature and less and less of a military nature." Second, all European countries, of both East and West, are increasingly independent because "Europe as a whole is reemerging from the post-war period and leaving it behind." Third, "the rejuvenation, the elimination of the Stalinist camps, and the erosion or evolution of the Western communist parties" make it possible to envisage radical changes in the European atmosphere, since the USSR is regarded less and less as a threat.

In other words, Europe is changing and it "is better to join the train and not be left on the platform." Though it is not known where and when the train will halt, it will not be difficult to find on it the credits and "solidarity" that the Soviet Union's shortages and crises so much demand. De Mita has recently been signing contracts for all he is worth. The expected result of Kohl's visit is that German industry will show even more interest in the Soviet market, and when Mitterrand arrives it will merely be a matter of confirming France's recent conversion to the Europe of solidarity.

Historians Assess Hitler Pact With Stalin

LD1830001488 Moscow MOSCOW NEWS in English
No 36, 11-18 Sep 88 pp 8-9

[Text] Nearly 50 years after World War II began, people are still trying to understand events that led up to that fatal day—September 1, 1939.

The pages of the information sheet published by the Lithuanian Movement for Perestroika are decorated with barbed wire. The front page screams: "We want glasnost!" This new issue is also unusual for its content: translations of the "secret protocols" to the 1939 Soviet-German Treaty published abroad. The "protocols" allegedly laid the groundwork for Stalin's and Hitler's divisions of the Baltic area, Poland, and Finland in August 1939. These "protocols" were recently published in the Estonian newspapers RAHVA HAAL and SOVIET ESTONIA. Did these documents really exist? The enigma of the "secret protocols" weighs heavily on people in the Baltic Republics and many others.

Witness an item we received from Grant Gukasov, our correspondent in the Soviet Baltic Republics:

On August 23, thousands of people attended officially sanctioned meetings and rallies in Riga, Tallinn, and Vilnius to discuss the 1939 Soviet-German Treaty.

In Tallinn the biggest event was a political rally on "Stalin's policy and Estonia," sponsored by the Popular Front, at which the general public conducted an uphill dialogue with historians. Both large halls of the V.I. Lenin Palace of Culture and Sports were filled to capacity. Thousands more people gathered in the square outside and listened to the proceedings in the halls over loudspeakers.

The results of the discussions were summed up in a general statement proposing that the Estonian government state its attitude toward the "Ribbentrop-Molotov pact" and its consequences for Estonia; send a group of authoritative scholars to the FRG to study and examine the treaty; form a competent commission to assess the pact; bring out a miscellaneous "Stalin and Estonia" in Estonian and Russian; and request B. Saul, Chairman of Estonia's Council of Ministers, to report to the public a year later on the implementation of these proposals. These proposals were seconded at meetings and rallies in other parts of Estonia.

In Riga, where 10,000 people gathered near the Liberty Monument, there were separatist calls like the demand "to close the Republic's internal frontiers to immigrants." Only in Vilnius did Party leaders and government officials take part in the dialogue.

Detailed accounts were featured in the local press.

In the West these rallies and meetings were described as anti-Soviet. Is this so? Indeed, some of the calls and slogans might have sounded extremist and nationalist. But is this the crux of the matter? Decades of hushing up the "blank spots" in our history, while not deciding anything in fact, only promoted deformations in the historical memory of the Soviet peoples and other countries. It is impossible to eliminate these distortions with one stroke, just as it is impossible to make people believe that the past is of no concern to those of us living today. Our country is only beginning to get a real insight into this past of ours, to grasp it.

This process will not be—cannot be—smooth sailing. It must be treated in the most serious way. Society is unanimous on the need to wipe out the "blank spots." This work has commenced. It is continued here by several Soviet historians.

Valentin Falin, D.Sc. (History), Chairman of the Board, Novosti Press Agency: The question of when the world situation became politically explosive with the ensuing slide into World War II has never been an academic one. To establish exactly when Nazi Germany adopted the course leading to war requires understanding what went before and interpreting specific facts.

In 1937, Hitler concluded that Germany had virtually exhausted peaceful methods of expansion and would have to tackle its mission from positions of strength. In Fuehrer's opinion, the situation in Europe and elsewhere was favourable for his military plans and had to be seized. "After 1943, the balance of forces will again begin to tip in favour of Germany's enemies," Hitler emphasized.

Wars had already been fought in Ethiopia, Spain, and China. Next in turn on the aggressors' agenda were Austria, Czechoslovakia, the Baltic area, and the "Russian expanses," with a question mark by Poland, Albania, and southeast Europe.

Most states now faced the dilemma: What to do next and with whom? This question confronted the Soviet Union as well. In what may be described without any exaggeration as an emergency situation, the need arose to find the optimal means to protect Soviet interests and ensure peace in Europe, and to prevent the worst outcome—the slide of Europe and the rest of the world into the most devastating of all wars.

The Soviet Union could neither get nor give exhaustive and absolutely correct answers in advance, since development didn't depend on it alone. At the time the West's diplomacy was preoccupied with not letting the USSR into Europe and precluding its participation in the solution of significant international problems. The Western powers based their decisions primarily on whether they would help or hinder "Bolshevism." Solutions which would hurt Moscow were preferable.

This strategy reduced the Soviet Union to choosing between the lesser of two evils. The question "to be or not to be" stood out in ever bolder relief.

Lev Bezymensky, Cand. Sc. (History), political analyst of the NEW TIMES weekly: The course of developments in Europe and its slide into another world war were fatally affected by the Munich deal, the 50th anniversary of which will be observed on September 29-30. Prior to Munich there was still a real chance of preventing a major war. Munich dealt a crushing blow to efforts to build a united front against Hitler's aggression. But after Munich, where Britain and France made a deal with Germany and Italy behind the USSR's back, Moscow had to think twice about whether it was possible to reach agreement on anything with London and Paris.

Different replies were given. Maxim Litvinov believed that we should try to negotiate with the Western powers despite all odds. But the majority argued that after the West's betrayal of Czechoslovakia we could count only on ourselves, that we couldn't "pull the burning chestnuts out of fire" for others.

Soviet-Finnish War [subhead]

Valentin Falin: In 1939-1940, relations between the USSR and Finland took shape, naturally, in the context of overall developments in Europe and against the unfavorable background of specific steps by the Finnish leadership. It is common knowledge that in its contacts with Nazi Germany and militarist Japan, official Helsinki pursued a policy aimed at creating a Greater Finland and finding partners to start a war against the Soviet Union—in the Far East and in Europe simultaneously.

The second factor—German plans vis-a-vis Finland and Scandinavia. Moscow had information concerning Hitler's intentions to gain a foothold in Finland and use it as a bridgehead for operations in the East.

As far as the outbreak of the war and its course are concerned, the Soviet Union and Finland each have their own version of events. The Soviet side attributes the beginning of the war to an armed incident on the border. In that tense situation, incidents were virtually unavoidable. This incident gave Stalin the opening to do what he considered necessary—move the USSR's border away from Leningrad. A political settlement—exchanging the part of Finnish territory abutting the border near Leningrad for a considerably larger section of Soviet territory—never materialized.

The "northern war" revealed the Red Army command's unpreparedness for war in modern conditions and the inadequacy of its strategic and tactical concepts. The Soviet-Finnish war made the Soviet leadership reappraise many concepts and assess the armed forces' battleworthiness as well as the armaments themselves. This was the "cold shower" which, even if belatedly, told on further preparations for war against the Nazi and on decision-making, not only military.

Mikhail Semiryaga, D. Sc. (History), leading researcher at the Institute of the International Working-Class Movement of the USSR Academy of Sciences: The major contradictions then existing between Moscow and Helsinki notwithstanding, a political settlement was not excluded. But eventually it became impossible.

It was also unreasonable for us—10 or 12 days after the beginning of the war—to proclaim a government of the so-called Democratic Republic of Finland, headed by Kuusinen, with reference to absolutely unauthentic information that Finland's legitimate government had left Helsinki for an unknown destination. Later we abandoned the idea. A peace treaty was signed on March 12, 1940 with the same Finnish government under which the war had started.

The Secrets of the 'Secret Protocols' [subhead]

Valentin Falin: Much has been and is being said about the "secret protocols to the Soviet-German Pact of August 23, 1939." But these "protocols" are known to experts only as "copies" of "copies." Any attempts to find the originals have proved unsuccessful both here and in the West.

If the originals are found, they will be assessed. Until then, judging from experience, the "copies of copies" should be handled with the utmost caution.

Why did the subject of the "protocols" arise only in 1946? Via its agent von Bittenfeld, First Secretary of the German Embassy in Moscow, Washington had full information about the talks on the Soviet-German Pact. Why didn't the US use this information in 1939 when Soviet-American relations were tense and President Roosevelt was considering severing diplomatic relations with the USSR?

Or: London knew all about the Soviet-German talks. From Goering personally. In the spring of 1940, London planned military strikes at the USSR but the idea of using the "secret protocols" to discredit Moscow never came up. Why?

Why didn't the nazis "expose" the "protocols" after they attacked the USSR and were searching for ways to strike separate deals with Britain and the USA? In Nuremberg why didn't Ribbentrop recall the "protocols" when he was looking to incriminate others?

This question is not as simple as many suggest. In the course of Soviet-German talks tribute may have been paid to the custom of delineating the limits of their interests which was then widespread in international relations. By accepting these rules invented by others, the Soviet Union could tell the Germans—not a step forward. In 1939, Churchill called this the creation of an "Eastern front which Germany will not dare to attack."

Mikhail Semiryaga: The principled aspect of the question has long been known, and no one has ever made a secret out of this. Here are some examples. On September 23, 1939, IZVESTIYA published a German-Soviet communique on the establishment of a demarcation line along the Vistula River. On October 11, 1939, the same newspaper carried the treaty on the transfer by the Soviet Union to Lithuania of the city of Wilno and the Wilno Region. PRAVDA of June 16, 1940 announced a Convention Between the USSR and Germany on the Procedure for Settling Border Conflicts and Incidents. On September 3, 1940, PRAVDA announced a Soviet-German Treaty on borderline legal relations. Then the press featured material dealing with the Soviet-German treaty on the frontier between both states from the Igorka River to the Baltic Sea (PRAVDA, January 11, 1941) and the Soviet-German agreements on settling mutual property claims concerning Lithuania, Latvia and Estonia and on deportation (IZVESTIYA, January 11, 1941).

In the Baltic Area...[subhead]

Erik Zhagar, Cand. Sc. (History), senior researcher at the Institute of History of the Latvian Academy of Sciences: An assessment popular in the West and to some extent in the Baltic area is that Lithuania, Latvia and Estonia were occupied by the Red Army and forcibly incorporated in the USSR. An antithetical assessment given by historians and citizens of the Baltic Republics: 1940 was the year of socialist revolutions in the Baltic area, a year of the three Republics' voluntary entry into the USSR.

Which of the points of view is correct? Let us recall that in the summer of 1940 all 19 states which had their embassies or missions in Riga, with the exception of the USA, recognized Soviet Latvia and recognized its new government as being legitimate. No ambassador, minister or consul spoke then about any "occupation of Latvia by the Soviets." Red Army units were present in the

Republic on the basis of the Soviet-Latvian Pact of Mutual Assistance concluded as early as October 1939. The legality of the changes was not disputed by any of the Latvian diplomats who then represented the Republic abroad.

Power was ceded peacefully without a single shot being fired. And with the use of free elections in accordance with the regulations laid down by the bourgeois Republic. The Latvian press—all 140 magazines and about 30 major newspapers, also founded under the old regime—likewise functioned normally.

Developments of those days varied in importance. But their substance was clear: In June-July 1940 the overwhelming majority of Latvia's population was faced with a choice—either occupation by Hitler or a new system and a way into the future at one with the Soviet people. Actually, even that choice didn't exist. Germany's nazi leadership considered the Baltic peoples inferior undermensch and had prepared a corresponding future for them.

Olav Kuuli, D. Sc. (History), Professor of the Tallinn Pedagogical Institute: Not everyone in Estonia then favoured the Soviet system and socialism: there were opponents and waverers. But they were a minority. The majority opted for socialism given full social justice and a free hand economically and culturally. There were widespread hopes that Estonia would remain a sovereign state within the USSR. Regrettably, not all those hopes came true. The administrative-bureaucratic system, built by Stalin, marked the history of Estonia and other Baltic Republics.

In June 1941, about 10,000 Estonians were deported without trial, as were another 20,000 in March 1949. People were often exiled on mere suspicion of being hostile towards the Soviet regime. Many were not guilty of any crime. They must be rehabilitated: the process of rehabilitation is already underway.

Romas Sarmaitis, D.Sc. (History), Corresponding Member of the Lithuanian Academy of Sciences, department head at the Institute of Party History at the Central Committee of the Communist Party of Lithuania: According to available estimates, in the early 1940s the bourgeois government of Lithuania—a petty-bourgeois, peasant country—had the support of a mere 10 per cent of the population. The exacerbation of social issues in 1939 set the stage for a class conflict. Elections to the People's Sejm were held in full conformity with the then existing law. And it sealed Lithuania's fate. Shortly afterwards the states, diplomatically represented in Lithuania, communicated their recognition of the new regime to then Foreign Minister Kreve-Mickevicius. Can there be any question of occupation?

This is what an eyewitness—a German journalist who by no means sympathized with Soviet power—wrote about developments in Lithuania in the summer of 1940: "A

major revolutionary upheaval started in the country following President Smetona's flight and the consequent dislocation in the political administration. An unusually large part of the population has been mobilized in Lithuania, it not only goes of its own free will together with the new current, but wholeheartedly welcomes the new system."

There were, regrettably, developments of a different nature. From June 14 to 17, 1941, a few days before Nazi Germany's attack against the Soviet Union, 12,600 people were subjected to repressive measures. After the war repressions extended to another 100,000 persons. They also included active opponents of the Soviet system. It should not be forgotten that between 1945 and 1952 some 25,000 people—government officials, Party functionaries, militiamen and teachers—fell victim to the terror by bourgeois reactionaries and nationalist elements. The terrorists had to be, and were, treated in due manner. But quite a few innocent people also suffered. Today justice is being restored. The case of some 16,000 victims of repressive measures have already been rechecked and some 5,000 of them have been rehabilitated. This work continues.

Foreign Policy—Socialist or Stalinist? [subhead]

A correspondent of the Yugoslav newspaper DELO poses this question: Is it possible that Stalin, this ruthless dictator who pursued an undemocratic policy inside the Soviet Union, could pursue a persistently democratic foreign policy based on the principles of socialism?

Valentin Falin: The new mode of thinking presupposes, among other things, the need to avoid the extremes, inherent in the past, which doomed us to incorrect and imbalanced judgments divorced from reality. If out of inertia we start painting Stalin as all black and call everything associated with him harmful or even criminal, I don't think that we will be doing service to the objective truth.

In foreign policy Stalin aimed to defend the interests of the state (as he understood them). This was sometimes strict if not rigid. Perhaps too rigid. But if Stalin could peremptorily impose his will on domestic policy, in the international arena he was much more limited: Stalin had to reckon with the correlation of forces and factors. It's a different question whether he drew the right conclusions.

Take, for instance, the information about Nazi Germany's imminent aggression against the USSR. Beginning in late 1940, lots of this kind of information was coming to Stalin. But Stalin also had other information on his desk: that Hitler's attack against the Soviet Union was planned for 1942; that London was interested in drawing us into war against the Germans on the side of Yugoslavia, and was therefore supplying Moscow not with information, but disinformation...

Given the abundance of contradictory data, Stalin made decisions proceeding from his *idee fixe*. After he had destroyed the Red Army's command and the Soviet-Finnish war had demonstrated the ruinousness of this "purge," Stalin tried out to put off the beginning of a major war. If not for a year, then at least for a month or a week. Whatever the price might be.

In appraising Stalin's foreign policy, we must rely on specific facts, taking into account the existing situation in the world with all the diversified and highly contradictory operations by the participants in the unfolding drama.

5 New UN Security Council Members Elected *LD2710091388 Moscow TASS in English 0715 GMT 27 Oct 88*

[Text] New York October 27 TASS—In line with the U.N. Charter, the General Assembly elected on Wednesday five new non-permanent Security Council members. Colombia, Ethiopia, Canada, Malaysia and Finland were elected for a two-year period starting on next January 1.

The Security Council, the main U.N. organ charged with keeping peace and international security, consists of 15 members. The USSR, China, the USA, France and Britain are its permanent members. Apart from non-permanent members elected on Wednesday, Algeria, Brazil, Nepal, Senegal and Yugoslavia will take part in the work of the Security Council for another year.

Shevardnadze Meets UN ECE Official *PM2810095188 Moscow PRAVDA in Russian 23 Oct 88 Second Edition p 5*

[TASS report under the general heading "Official Reports"]

[Text] G. Hinteregger, executive secretary of the UN ECE, paid a working visit to the Soviet Union 18-20 October.

He was received by E.A. Shevardnadze, member of the CPSU Central Committee Politburo and USSR foreign minister.

During meetings and conversations between G. Hinteregger and leaders of a number of USSR ministries and departments there was an exchange of opinions on the commission's role in establishing broad mutually beneficial cooperation in the ECE region and its contribution to building the "common European home." Questions of increasing the effectiveness of the Soviet Union's participation in the activity of this UN regional economic organization were also discussed.

European Church Leaders To Meet in Leningrad
*LD2310095888 Moscow TASS International Service
in Russian 1641 GMT 22 Oct 88*

[Text] Leningrad, 22 Oct (TASS)—The presidium of one of the most representative international religious organizations, the Conference of European Churches [CEC], is gathering for its session at the Leningrad Religious Academy. The official opening will take place next Monday next week. A TASS correspondent requested Metropolitan Aleksii of Leningrad and Novgorod, president of the CEC, to speak about the meeting's program.

"The conference was originally organized in 1959 on the initiative of Christian leaders from the continent. One of its main tasks was the creation, under conditions of the 'cold war', of a platform for bridge building between East and West, and the strengthening of mutual understanding and cooperation between them," the Metropolitan recalled. "And the fact that there has been a move toward open dialogue between East and West is in part owing to the church."

Metropolitan Aleksii said that all eight members of the presidium, church heads and prominent theologians from Britain, Poland, Romania, the FRG, France, Finland, and Switzerland, and many other representatives of the CEC are coming to Leningrad. It has been decided to pay special attention to preparations for the European Ecumenical Assembly "Peace and Justice," which the

CEC intends to conduct jointly with the Council of Episcopal Conferences of Europe in May of next year in Basel. Representatives of all Christian churches in Europe have been invited to take part in it. In this way, we hope to contribute to the search for ways to solve the problems facing civilization, such as the prevention of nuclear war, the strengthening of peace, and the elimination of social inequality, unemployment, and all forms of racism in theory and in practice.

The Leningrad sitting will also consider the present state of relations with the Roman Catholic Church. A certain amount of progress has occurred here; we have begun to understand each other better, stressed the Orthodox hierarch. He noted with satisfaction that the Russian Orthodox Church is playing a prominent role on the continent. The increase in its authority, the Right Reverend Aleksiy believes, has been promoted by the recent celebrations marking the 1,000th anniversary of the Christianization of Russia. They graphically demonstrated to the entire world that full-blooded religious life in the USSR is a reality and that everyone has the opportunity of worshiping. "Our foreign guests saw with their own eyes that restructuring has also affected church-state relations," said the metropolitan. Realism and sober thinking are beginning to prevail over dogmas on this issue. I hope that the participants in the Leningrad CEC will also be able to objectively assess the true state of affairs regarding religion in the USSR."

United States & Canada

U.S. Proposes To Rebuild Embassy in Moscow *LD2710235388 Moscow TASS in English 2349 GMT 27 Oct 88*

[Text] Washington October 28 TASS—An official representative of the U.S. Department of State announced on Thursday that President Reagan "has decided to propose that the new U.S. Embassy office building in Moscow be torn down and rebuilt from the ground floor".

Such a recommendation, the representative of the Department of State said, was made by Secretary of State George Shultz and "now approved by the President". According to the local press, American secret services categorically insisted that the existing building be demolished. Talking to journalists outside the White House on Thursday, President Reagan asserted that allegedly the United States had no other choice, and the American side will have to do that.

The head of the U.S. Administration and the representative of the Department of State reiterated the fabrications, that have long been current in the United States, that the new building of the American Embassy is almost entirely made of microphones and eavesdropping devices. But, just as in the past, the Washington administration has not even tried to present any proofs to back up such assertions.

The Soviet side repeatedly turned such fabrications, obviously aimed at whipping up the space campaign of an overtly anti-Soviet character, which is being incessantly conducted in the United States. Members of U.S. Congress, secret services and representatives of extreme right-wing organizations have invariably been the main initiators of the hullabaloo around question of security of the American Embassy in Moscow in the recent years. Both chambers of the U.S. high legislative body repeatedly passed various resolutions and bills bound to hamper realization of the inter-governmental agreement on construction in Moscow and Washington of new buildings of the embassies of the United States and the Soviet Union, and even recommended that its action be stopped. As was admitted last year in a congressional quarterly interview by a high-placed employee of the apparatus of the House of Representatives, congressmen consider "embassy problem" as a sure way of gaining political capital.

This campaign which has long been raised to a high official level, also has other aims. With allegations on "violation of sovereignty" of the American Embassy in Moscow the U.S. Administration is trying to divert the attention from U.S. secret services' hostile actions towards the new complex of the Soviet Embassy in Washington.

American architect Carl John Warnecke, who participated in designing the USSR Embassy in Washington, wrote in the newspaper WASHINGTON POST that in 1979, after completion of the housing complex of the USSR Embassy in Washington, Soviet specialists had to take special steps to remove eavesdropping devices from dwelling premises. He admits that that was an expensive process which largely hampered the completion of the construction of the building.

At a press conference, held at the USSR's Embassy in Washington on April 10, 1987, journalists saw specimens of eavesdropping devices implanted in factory conditions into thick marble plates of the lining of the new Soviet Embassy building, and other espionage equipment. Official U.S. representatives have been refraining since from making any commentaries to that effect.

It should also be noted that certain circles in the United States are trying, as before, to present the United States as a kind of a victim of "perfidy of the Russians", asserting that the Soviet Union allegedly imposed the conditions under which construction of the American Embassy had to be done only by Soviet organizations. Meanwhile, the newspaper THE WASHINGTON POST wrote on April 8, 1987, the agreement reached at arduous Washington-Moscow negotiations in the period of 1969-1972, was based on full reciprocity, and envisaged from the Soviet Union to grant likewise the right to the American "George Hyman Construction" company to build its embassy in Washington. That provision of the agreement was fulfilled in full, the newspaper underlined.

The inevitable result of the latest action of the U.S. Administration will be a long delay in commissioning the new administrative buildings of the embassies in Moscow and Washington.

Official representative of the Department of State Charles Redman admitted that this process would obviously take years. "We will continue our policy of not permitting the Soviet Union to use its new chancery in Washington until we move into our rebuilt chancery in Moscow", Charles Redman underlined. He avoided answering questions on how much the American taxpayers will have to pay for such a decision of the White House. As much as 300 million dollars will probably have to be spent to build a new American Embassy in Moscow, THE WASHINGTON POST writes.

The official representative of the Department of State said that the administration planned consultations with the Congress on that matter. But the final decision will seemingly have to be taken by the new U.S. President and the Congress of the new, 101st convocation.

'Political Prisoners' Held in United States *LD2710175888 Moscow TASS in English 1738 GMT 27 Oct 88*

[Text] Moscow October 27 TASS—TASS observer Dmitri Yakubov writes:

As is known, the Soviet leader Mikhail Gorbachev has come up with a proposal to organize a seminar within the framework of interparliamentary exchange where representatives of our parliaments, political and public circles could meet and exchange information and assessments on what is going on in the United States and our society in this sphere. The Soviet Union is ready for the organization of such a seminar. However, since a seminar of this kind does not exist at the moment, various speculations on those problems are going on. At present the subject of speculation is political prisoners in the USSR. Competent Soviet organizations are ready to give information on this problem.

At the same time, it is common knowledge that there are political prisoners in the U.S. according to the U.S. press, on a claim lodged against the U.S. Department of Justice and the heads of the prisons' bureau by the American Civil Liberties Union and other organizations working for the observance of human rights in the U.S., the U.S. judicial authorities admitted the presence of political prisoners in American prisons, including women, as well as the fact that they are kept there in especially appalling conditions.

The U.S. press reports that many prominent Puerto Rican public figures and trade union activists, intellectuals and students-members of the movement of the independence of Puerto Rico arrested on a trumped-up charge of "a conspiracy aimed at organizing a mutiny" are serving long prison terms in American prisons. The U.S. authorities classed them together with terrorists for the only reason that they fought for the liberation of their native land turned into a U.S. colonial territory.

Douglas Roth, former pastor of the Lutheran Church, was put into prison last September on the decision of the court of Pittsburgh. He actively supported the struggle of workers of steel-making works of the city for their political and economic rights. Douglas Roth was convicted on charges of "offering resistance to the police" during the dispersing of a demonstration.

One could cite a lot of such examples. There exist similar facts in a political life of Britain. One could assume that it is because of these facts that the U.S. and Britain still do not respond positively to a Soviet proposal on holding a conference in Moscow of representatives of countries—participants in the Conference on Security and Cooperation in Europe that would be devoted to the development of humanitarian cooperation.

Moscow TV Program on U.S. Election Campaign
OW2810045888 *Moscow Television Service in Russian*
1120 GMT 26 Oct 88

[From "The World Today" program; presented by Igor Kudrin]

[Text] Only 2 weeks are left to the U.S. presidential elections. Observers are increasingly heard speaking in terms of a decisive George Bush victory. It is already

known that he is likely to be the winner in 36 out of the 50 states. Nevertheless, the struggle continues. Yesterday the contestants toured various parts of the country, though in essence, they were saying much the same thing to the voters. [video shows Bush and Dukakis during their tours, addressing voters]

The problem lies in the fact that Dukakis, on the previous day, accused Bush of racism. He did this on the grounds that the Republicans, in a television commercial, have used a violent scene perpetrated by a black bandit on a white couple. The commercial was aimed at only one thing: to show Dukakis's softness towards criminals. This, generally speaking, is the trump card used by the Republicans who charge the Democrats with being soft on murderers and drug smugglers. In vain does Dukakis now say that Reagan himself had been indulgent and used the practice of giving weekend passes when he was governor of California, and that this practice led to two serious crimes.

I think, however, that Dukakis is too late in saying all these things. It appears that the die is cast. Even Dukakis himself admitted yesterday that he was too late in answering serious and painful attacks by his contestant who, in essence, had questioned his reputation as a politician. To somehow please voters in these last days, for example, Dukakis says that he has never attempted to deprive Americans of the right to carry weapons for defense of their homes. They say that Dukakis is, in general, changing his election strategy.

The Republican camp does not think of concealing their triumphant mood. They are already engaged in sharing out prestigious posts and positions. If one is to believe very reliable gossip, if Bush wins, James Baker will replace Shultz as U.S. Secretary of State. He is Bush's personal friend and, besides, he is now successfully managing his election campaign. As for the position of the new Pentagon chief, the place of Frank Carlucci is likely to be taken by former Senator John Tower, a specialist on military matters. Carlucci, however, is not entirely out of the picture either.

There is another interesting detail connected with the elections. According to the Gallup Institute Poll, almost two thirds of the Americans consider the present presidential campaign to be more negative than all the previous ones. The cynicism hidden behind the strategy of mutual attacks and mud slinging used by both candidates stems from the obvious calculation that voters can be won by means of juggling facts and by lies. These words are from the LOS ANGELES TIMES.

Quite possibly no other presidential campaign of this century provided such a lack of insight to the type of decisions that the future U.S. President is likely to make.

Reagan Appreciates Soviet Aid in Whale Release
*LD2810093588 Moscow TASS in English 0735 GMT
28 Oct 88*

[Text] Washington October 28 TASS—TASS correspondent Vladimir Matyash reports:

A successful operation for releasing two California gray whales trapped in ice off the Alaska coast in which Soviet vessels took part is in the centre of attention of the U.S. political and public circles.

U.S. President Reagan expressed high appreciation of the performance of the crews of the Admiral Makarov icebreaker and the Vladimir Arseniyev electrically-driven motorship of the ice category.

He said that persistence, perseverance and determination displayed by people for the sake of saving the trapped whales shows the concern of humanity over the preservation of natural environment. It was an admirable and inspiring operation. The president expressed gratitude and congratulation to the crews of two Soviet icebreakers which in the long run managed to force their way to the whales. The Soviet icebreakers and their crews became an integral part of the outstanding collective efforts of governments, individuals and the business world, the president pointed out.

The rescue operation staged by Soviet polar workers evokes admiration among environmentalists throughout the world. David McTaggart, head of Greenpeace, an international organization for environmental protection, said in a TASS interview that the efforts exerted by the crews of Soviet vessels were an inspiring example of cooperation aimed at the preservation of our common heritage—natural environment. In this century, when a global threat emerged for the natural environment of man this spirit of cooperation is of crucial importance for the survival of the human race. McTaggart expressed heartfelt gratitude to the Soviet Government and people for assistance in the rescue of the trapped sea animals.

Campbell Plowden, representative of the Washington branch of the Greenpeace organization, sent greetings to the Soviet rescuers. He said that they wholeheartedly welcomed the admirable cooperation spirit displayed by the crews. The rescued whales are still to cover many thousands of nautic [as received] miles before they reach a zone of warm waters off the coast of Mexico. However, one can be certain today that they have left behind the thick pack ice that blocked their way to the open sea. The operation was a success because of a fruitful dialogue between scientists and specialists in environmental protection of the two great nations.

Real Admiral Zygmunt Petersen, head of the National Oceanic and Atmospheric Administration, expressed profound gratitude to Soviet polar workers and scientists. It is quite possible, he continued, that we shall never know the whereabouts of the two California gray

whales moving by the channel that was cut in the ice by Soviet icebreakers. However, we shall always remember that Soviet sailors, polar workers and scientists extended a helping hand to us at the crucial moment. Rear Admiral Petersen said that it evoked a feeling of gratitude and admiration and thanked the Russians.

Khabarovsk, Alaska Sign Cooperation Agreement
*LD2710151688 Moscow TASS in English 1321 GMT
27 Oct 88*

[Text] Khabarovsk October 27 TASS—An agreement on mutual cooperation between the Khabarovsk Region and Alaska state was signed here today. The document is a programme for broad contacts between the two regions.

People in Alaska are genuinely interested in broader friendly and business contacts with Soviet neighbours, Garrey Peska, chief of staff to the governor and head of the U.S. state's delegation, told TASS. These contacts date back to the remote past, but today Alaskans would like the relations further expanded. Firms and companies in Alaska are interested in promising cooperation in fisheries, mining of raw materials and air services, he added. There are examples of such cooperation already. This year Alaska Airlines made a flight to the Soviet town of Provideniye to enable Alaskans to visit their Soviet neighbours. A group of Soviet citizens made a return visit to the U.S. city of Nome.

We plan mutual exchanges of exhibitions and artists, tourists, scientists, experts and sportsmen. We saw for ourselves that perestroika underway in the USSR removes obstacles to such cooperation, said Garrey Peska.

China

Reporters Visit PRC Satellite Launch Site
OW2710080588 Moscow in Mandarin to Southeast Asia 1200 GMT 26 Oct 88

[Text] A group of foreign reporters from the Soviet Union and other countries visited China's satellite launch center in Xichang, Sichuan Province.

(Tong Yangze), director of the center, told the reporters that China stands for peaceful exploration of the space for the interests of mankind. Noting the Soviet Union's universally acknowledged achievements in this area, (Tong Yangze) expressed the wish for Sino-Soviet cooperation in space exploration, which has not yet been carried out.

Opening of PRC Trade Union Congress Reported
PM2710162588 Moscow TRUD in Russian
23 Oct 88 p 3

[Report by own correspondent A. Sukhotin: "Following the Course of Reforms. At the 11th PRC Trade Unions Congress"]

[Text] Beijing, 22 Oct—The ceremonial opening of the 11th Chinese National Trade Unions Congress took place in Beijing. The delegates, filling the National People's Congress Assembly Hall, greeted with applause Zhao Ziyang, Yang Shangkun, Li Peng, Wan Li, Hu Qili, Wang Zhen, Li Tieying, Li Ximing, Qin Jiwei, and other Chinese leaders attending the ceremony. Before the congress opened Deng Xiaoping, Li Xiannian, and Peng Zhen met with and were photographed with its participants, as a keepsake. CPC Central Committee General Secretary Zhao Ziyang delivered a greetings speech.

The congress is opening, he said, on the threshold of the 10th anniversary of the 3d plenum of the CPC Central Committee, 11th convocation. Practice shows that the line, course, and policy laid down by the CPC Central Committee in relation to reforms and an open policy accord with the basic situation at the initial stage of socialism in the PRC. They have effectively contributed to the development of the Chinese socialist commodity economy and have in large measure liberated social production forces and improved people's lives.

But, Zhao Ziyang noted, there are in fact problems on our road ahead that cannot be ignored. The inflation and excessive price rises that have manifested themselves this year have caused concern and anxiety from various angles. The third plenum of the CPC Central Committee, 13th convocation, which has just ended, discussed these problems in due fashion. One can expect the growth of prices to diminish markedly next year compared with this year through the common efforts of the people of the entire country and all workers and employees and to be controlled in the future. Some injustices in social distribution and corrupt actions by certain employees of party and government bodies have also caused strong popular discontent, Zhao Ziyang said.

In the past 10 years PRC trade unions have held their 9th and 10th national congresses. The line and tasks of the workers' movement and trade union work in the PRC that were determined by these two congresses are correct. When conducting an all-round deepening of the reform it is necessary to rely on the activeness, initiative, and creative spirit of the entire working class and develop them, implementing workers' and employees' participation in democratic management, as envisaged by the "law on the enterprise."

It must be appreciated, he said, that since the separation of management rights from ownership rights, emphasis should not only be placed on the authority of economic managers as leaders, but great significance should also be

attached to democratic management and workers' and employees' political services. Economic managers' authority is inseparable from working people's activeness. Workers' and employees' material interests cannot be realized without their democratic rights. The flourishing and decline and victories and failures of enterprises depend on the common efforts of all workers and employees, including economic managers, Zhao Ziyang stressed.

In an extremely important, crucial period of our reforms and our development, he continued, the Chinese working class bears a honorable and difficult burden of great historic responsibility. The CPC Central Committee hopes that Chinese trade union organizations, under the party's leadership, will proceed actively and unswervingly along the path of transformations, represent the interests of the broad masses of workers and employees better, and make an even bigger contribution to the comprehensive deepening of the reforms and implementation of socialist modernization, Zhao Ziyang noted. His speech was repeatedly applauded.

The congress participants were also greeted by Song Defu, first secretary of the Chinese Communist Youth League, and Zhou Pengyuan, deputy chief of the Chinese People's Liberation Army main political directorate.

Ni Zhifu, chairman of the All-China Federation of Trade Unions, delivered a working report entitled "Promoting trade union reform, rallying 100 million workers and employees, and developing the role of the main force in the course of the comprehensive deepening of reforms." The congress participants will spend several days discussing his report in groups and will contribute their amendments and observations. The congress continues.

Commentary on USSR-PRC Border Talks
OW2710213488 Moscow International Service
in Mandarin 0600 GMT 27 Oct 88

[Station observer Sergeyev commentary]

[Text] This station has already reported that the third round of Soviet - Chinese deputy ministerial-level boundary talks is being held in Moscow. One item on the agenda is to sum up the joint aerial photography work in the eastern part of the Soviet-Chinese border. Sergeyev, an observer of this station, has the following comments on the event:

[Sergeyev] Let me present some background on this event. The idea of aerial photography in certain parts of the Soviet - Chinese border began soon after the resumption of Soviet-Chinese boundary talks in February 1987. However, it is not an easy task. It took the departments of both countries several months to find the most effective way to do the job. On 30 December 1987, the Soviet Union made some suggestions to China through the Chinese Embassy in Moscow on the basic document concerning the procedures and dates for the task—the

detailed plan for aerial photography in the eastern part of the Soviet - Chinese border. After careful study and analysis, the Chinese side informed the Soviet side at the end of January this year that it agreed to the Soviet suggestions.

Experts in the Soviet and Chinese boundary talks delegations' joint aerial-photography working groups met in Moscow in early February. They studied and discussed questions concerning the joint aerial photography work. After the meeting was over, Rogachev, Soviet deputy foreign minister and head of the Soviet Government delegation on the Soviet - Chinese boundary talks, signed the detailed plan for joint aerial photography on behalf of the Soviet side. Rogachev also received the experts from both countries. During the reception, the Soviet representative said that successful completion of aerial photography in the border area would greatly promote the progress of the Soviet - Chinese boundary talks. On 15 February, the Chinese Government delegation signed the detailed plan at a ceremony in Beijing.

During the summer, Soviet and Chinese experts, pilots, and topographers together carried out the important task for both countries. They have finished the joint aerial photography in the eastern part of the Soviet - Chinese border.

At the end of September the joint aerial photography working groups met in Beijing and exchanged aerial photography data. The ongoing third round in Moscow of the boundary talks between the two government delegations will make a final summing-up of the aerial photography work.

It is evident now that the boundary talks have yielded good effects. Of course, it is not an easy matter to find the best solution for problems left over from the past. The task is particularly difficult because it deals with the approximately 7,500-kilometer boundary between the two countries. The alignment of a long sector of the boundary, from Mongolia to Korea, has now been basically determined. However, serious differences still exist over certain other sectors. Despite the differences, it is clearer than before that even the most complex problems can be solved if both sides regard the boundary as a line joining the two countries, not as a line dividing them, and adhere to a principle of mutual understanding and accommodation. During the ongoing third round of the boundary talks in Moscow, the Soviet side is ready to adhere to such a principle in order to strive to set a goal for continued progress in the future.

PRC Media Delegation Head Interviewed
OW2810043488 Moscow International Service
in Mandarin 0600 GMT 22 Oct 88

[Excerpts] [passage omitted] A delegation of the Chinese Media and Publications Office, headed by Comrade Du Daozheng, visited Leningrad. Members of the delegation visited the Leningrad and (Afuler) Publishing Houses.

They highly praised the meticulous work done by Soviet scholars and China's Zhonghua Bookstore in publishing Cao Xueqin's classic "A Dream of the Red Chamber." A rare manuscript of this classic is being preserved in Leningrad. [passage omitted]

A station reporter in Leningrad interviewed Comrade Du Daozheng on his impressions of this tour. [begin recording] Our delegation is here mainly to study reforms in Soviet media and publication circles and Soviet experience in this regard. Our country is going to carry out media and publications reforms. We want to study the good experience of Soviet comrades in media and publications reforms. Moreover, we are also here to promote friendship and cooperation. [passage omitted]

The things that have left the deepest impressions on us are, as the reporter comrade just mentioned, the Soviet people's sincere and friendly [word indistinct] toward the Chinese people. The comprehensive reforms now being carried on in the Soviet Union under the leadership of Comrade Gorbachev as well as the ongoing reforms in China under the leadership of Deng Xiaoping and the Communist Party of China are the premise, or foundation, for the development of friendly relations between the two nations. Without those reforms in the two nations, it would be much more difficult to promote cooperation between publishing houses or friendship between the two nations. [end recording]

Northeast Asia

Potential Commerce 'Benefit' With South Korea
PM2710151588 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 25 Oct 88 p 3

[Article by Candidate of Historical Sciences V. Shipayev, senior scientific associate of the USSR Academy of Sciences Oriental Studies Institute, under the rubric "Page Three Mailbag": "From Silence to Contracts"]

[Text] I am grateful to your newspaper's editorial office for giving me the opportunity almost 6 months ago to tell readers about South Korea—a country I have studied from afar (for obvious reasons) for many years. I can guess that the publication of the article "South of the 38th Parallel" in one of the May issues of KOMSOMOLSKAYA PRAVDA took some courage on the part of the editorial office, as in previous years objective information on South Korea has been strictly taboo. However, times, fortunately, are changing and silence is being replaced by glasnost—foreign policy issues are gradually coming within its sphere of influence.

A clear example of our present leadership's new political thinking is the idea of the possibility of building economic relations with South Korea, voiced by M.S. Gorbachev in Krasnoyarsk. It must be admitted that this question has been coming to a head for a long time. Judge for yourselves: The overwhelming majority of European socialist countries have now built economic

relations with South Korea. Another example—the annual trade turnover between South Korea and China is now approximately \$2.5 billion. I have absolutely no doubt that the Soviet Union could also derive considerable benefit from this kind of cooperation.

Our country is faced with the urgent task of developing the colossal natural wealth of the Soviet Far East—a very crucial and extremely complicated task. The main difficulty is possibly the acute shortage of manpower. It has become the practice in our country to send young people to regions under development on an organized recruitment basis. In some cases, when the project in question has been relatively small, this practice has justified itself, but just barely. However, the mass of everyday inconveniences has hampered the retention of the workforce, while even the terms of recruitment themselves presuppose only a limited stay in the new place.

But now we are talking about developing vast territories big enough to encompass the whole of Western Europe several times over. It is clear that in order to resolve these grandiose tasks we will need thousands, hundreds of thousands of able-bodied people and an enormous amount of all kinds of materials and equipment—to build roads, ports, industrial and agricultural enterprises, social, cultural, and consumer establishments, and so forth. The colossal army of volunteers who will come to develop this wealth will be faced with a housing problem of unprecedented severity. The Far East is not the Crimea, not Central Asia, and not the Transcaucasus: The harsh natural conditions will make it impossible to herd the young people into tents and huts; they will need proper buildings, built to last. A vicious circle seems to be forming: To develop these uninhabited lands a workforce is required, but it cannot start work because the elementary conditions for this are lacking.

It seems to me that economic cooperation with South Korea could help to solve this seemingly insoluble problem. It is well known that this country has been involved in contract building work abroad on a large scale for a long time now. It has long held second place in the world for the amount of this work it does abroad. South Korean workers have won unquestionable prestige throughout the world for the quality of their construction work.

In what specific form do I envisage economic cooperation with South Korea in relation to the Far East? Let us suppose that somewhere in the territory under development we want to build an industrial installation. We conclude a contract with a South Korean construction firm and it will use its own manpower to build and commission on a turnkey basis the industrial enterprise, housing, ports, roads—in short, everything necessary. After this, Soviet workers would be sent to the area, given vouchers for apartments, and take up their work places. This practice, in my opinion, would provide a full guarantee that the settlers would make a serious go of staying put in the new place for a long time. I also feel

that great prospects would be opened up, incidentally, by building hotels, sanatoria, and leisure centers of an international standard and designed, in particular, to serve foreign tourists.

It goes without saying that this approach will require considerable outlays on our part. True, if we carry out these projects using our own resources, it will also cost us a pretty penny. In my opinion, it is time we stopped making dubious, harmful economies where Soviet people are concerned. It is certainly worthwhile incurring considerable expense in the creation of a normal environment in which they can live, because this expense will be repaid with interest later on.

The question arises: How are the South Korean firms to be paid? First of all, some of the enterprises could be joint enterprises. For example, there could be a plant somewhere in the Far East to manufacture color television sets up to world standards. Needless to say, the ratio of capital invested in it by the Soviet and South Korean sides would be 60:40 and the plant would have the capacity to produce several tens of thousands or hundreds of thousands of television sets per year. Some of the output would be collected by the South Korean side—which is how our partner would be paid—and we would keep the rest.

Second, in payment for work done we could supply South Korea with coking coal from Yakutia, which South Korea has to import at present from Australia, the United States, Canada, and other distant countries.

Third, we could give South Korean firms forestry concessions, as long as we were sure that the forestry work would be conducted conscientiously and competently and would include the subsequent planting of young saplings. And, obviously, it would also be expedient to create joint enterprises in this sphere so that part of the output could be used to meet the needs of the South Korean furniture industry and the production of musical instruments, while the rest would be channelled into further development of our Far Eastern territory.

Fourth, the future income from the use of hotels and health establishments could also compensate expenditure to some extent. Trade ties with South Korea also promise great prospects. It is true that at present our range of goods suitable for export is not very great. But it will inevitably increase as we open up our Far Eastern territory. We could, in particular, supply South Korea with economical aircraft such as the "YAK-40," which is designed for domestic flights, high-power presses, the sale of which to France was reported by our press quite recently, and some other goods designed for export, of which, I am sure, our competent foreign trade enterprises are well informed.

We could buy the most diverse goods from South Korea—it would take too long to list them all here. But, obviously, we should mainly be thinking of the different types of ships that could be built for us by South Korean shipyards—they are second in the world in terms of the volume of orders they fill.

These are just some initial, fragmentary outlines. I am sure that on closer examination the possibilities for Soviet-South Korean economic cooperation will prove to be even more extensive and promising. It is just important to ensure that the course, once chosen, is backed up not only by good intentions but also by real action. Words must be followed by deeds.

'Optimistic' Korean Confederal Republic Plan
SK2710074888 Moscow International Service
in Korean 1330 GMT 23 Oct 88

[By station commentator Boldin]

[Text] A speech made by the DPRK's UN delegation presented proposals for Korea's peaceful reunification. As station commentator (Boldin) emphasized, there is a great possibility of removing tension on the Korean peninsula. The station commentator wrote as follows:

The practical characteristics of the proposals presented by Pyongyang make them a basis for making these kind of optimistic predictions. Pyongyang makes a theoretical conclusion to establish a confederal republic starting from the fact that the North and the South exist, each with their own different social system.

According to Pyongyang's proposals, this kind of confederal republic can include two autonomous governments and, on the basis of coexistence, the two systems can be maintained. One of the barriers in overcoming the country's division into two Koreas is the stationing of U.S. armed forces in South Korea and the deployment of U.S. nuclear weapons there. Under these circumstances, the Pyongyang statement to turn the Korean peninsula into a denuclearized peace zone and prohibiting the stationing of foreign troops in South Korea can be regarded as inevitable.

Viewing the meeting between U.S. President Reagan and South Korean President No Tae-u, held on 20 October, we can say that Washington is not yet ready for this. In any case, one more thing to add is that the President of the United States has no plan to change the policy on U.S. forces stationed in South Korea.

Commentary Denies Plan To Re-aim Missiles East
OW2710070488 Moscow in Japanese to Japan
1000 GMT 17 Oct 88

[Dmitriyev commentary from "Peace and Disarmament" program]

[Text] Listeners, a high-ranking official at the Pentagon, the U.S. Defense Department, said in the Congress the other day that the Soviet Union could re-aim its own

strategic missiles, so-called SS-25s, at the East in order to fill the void created in Asia by the removal of intermediate-range nuclear missiles. In this regard, our commentator Dmitriyev comments as follows:

In connection with the INF Treaty signed between the Soviet Union and the United States, it was a South Korean radio which first voiced its opposition to the possible Soviet re-aiming of its missiles. Following that, Assistant Secretary Sigur of the State Department repeated this view in "THE NEW YORK TIMES" in early October. It was Assistant Secretary Jackson of the State Department who spoke on the issue in the Congress. However, the view that the Soviet re-aiming is quite possible in principle is still as far deviated from reality as ever, and it still remains mere hypothesis. In principle, nothing desired is impossible in this world. You can shoot a sparrow with a cannon or, as the Japanese version of a Russian proverb says, you can go from Tokyo to Sapporo via Fukuoka.

From a military viewpoint, this view is tantamount to the idea of re-aiming the strategic missiles in the western Soviet Union at targets in the Asian-Pacific region, where there is already a sufficient number of nuclear weapons. Moreover, if the Soviet Union should actually decide to do anything like this, it would be disclosed immediately at the negotiations with the United States on strategic offensive weapons. As is already known, both parties have exchanged detailed data on each other's nuclear forces at the negotiations. Thus, if the Soviet Union should take such an action, an inexcusable political damage would be inflicted upon the Soviet Union's peace proposals for Asia. In General Secretary Gorbachev's Krasnoyarsk speech, he stated that the Soviet Union would take the responsibility of not increasing nuclear weapons in Asia.

By the way, the fabrication that the USSR may re-aim its missiles at Asia lacks any foundation, but it has a specific political purpose of its own. First of all, it can convince Japan and other Asian and Pacific nations that demolition of intermediate-range nuclear missiles does not contribute to strengthening security in their own countries. Such an atmosphere would undoubtedly cause disappointment that demolition of nuclear weapons achieves nothing. This would, eventually, not only prolong negotiations on reducing strategic nuclear weapons to half, but also make part of [words indistinct] feel that security could be strengthened by increasing fighting capabilities. If such a tendency should be noted in Japan, then it will fall exactly into the trap set by the U.S. military authorities who want to maintain superiority in the Asian-Pacific region.

It is natural that Assistant Under Secretary Jackson of the U.S. Defense Department failed to mention anything at all about this scheme in the Congress the other day. Immediately after making groundless remarks that the Soviet Union might re-aim its missiles at Asia, he implied that the Soviet Union had intensified its threat

and therefore, Japan should make greater contributions to the defense of the West. In particular, he stressed that the Japanese forces should be equipped with the OTH system, the over-the-horizon radar system, and the Airborne Early Warning Control system.

Incidentally, those systems are indispensable to modern offensive operations. In this way, we have noted a very usual scheme of frightening Japan by a so-called Soviet threat which does not exist and forcing Japan to join a new military bloc and strengthen its military cooperation with the United States. The Pentagon has actively taken such action following the signing of the INF Treaty.

Now, the United States has focused its military cooperation with Japan on the joint development of the most sophisticated, high precision weapons. Judging from the blatant remarks by some key figures of the United States, the new-generation weapons are to be used to replace intermediate- and short-range missiles which are to be demolished.

The illusion that Soviet missiles would be re-aimed at Asia is a scheme to turn the attention of public opinion away from the Pentagon's own ugly action. However, why can't human intelligence be used to make positive results achieved so far in nuclear disarmament take root among us, and to further promote disarmament?

Japanese Socialists Complete USSR Visit
PM2110142588 Moscow PRAVDA in Russian
21 Oct 88 Second Edition p 5

[TASS report: "Japanese Socialists' Visit"]

[Text] A delegation from the Japanese Socialist Party [JSP] Special Committee on Japanese-Soviet Relations headed by T. Tsushima, chairman of the committee and deputy in the Japanese parliament, was in the Soviet Union 11 through 20 October. The delegation included Japanese parliamentary deputies K. Nosaka, S. Ikehata, and H. Maejima, and H. Ushikoshi, chief of a JSP Central Executive Committee Bureau of People's Movements department.

The delegation was received at the CPSU Central Committee International Department, the USSR Foreign Ministry, the USSR Ministry of Foreign Economic Relations, the USSR Ministry of the Fish Industry, and the USSR State Committee for Safety in the Atomic Power Industry.

The Japanese specialists visited the Lithuanian SSR and Leningrad, where they acquainted themselves with great interest with the progress of implementing political and economic reform in the Soviet Union.

The delegation members took part in the work of the sixth "round table" conference of the representatives of Soviet and Japanese public held in Moscow.

Bush, Dukakis Stands Worry Japanese
PM2410141788 Moscow PRAVDA in Russian
24 Oct 88 Second Edition p 1

[Own correspondent I. Latyshev Tokyo dispatch: "Americans Argue and Japanese Frown"]

[Text] Tokyo, 23 Oct—The sharper the campaign exchanges between the two U.S. presidential hopefuls—G. Bush and M. Dukakis—the more worried Japanese business and political circles are getting. The fact is that both of the candidates are striving in their speeches to voters to play on the discontent of certain sections of the U.S. population with the mass invasion of the U.S. domestic market by Japanese goods and Japan's stubborn desire to hamper the further expansion of U.S. agricultural imports into its country. For this reason Dukakis, for instance, included in his election slogans a widely publicized promise to step up protectionism in U.S. customs policy.

On the other hand, Bush is promising voters that he will take more resolute measures that before to eliminate the bans and restrictions on imports of U.S. foodstuffs to Japan.

Southeast Asia & Pacific

U.S. Bases Threaten Philippine Security
AU2710094888 Bratislava PRAVDA
in Slovak 19 Oct 88 p 6

[Article by NOVOSTI journalist Igor Danilin: "Severing the Umbilical Cord; Filipinos Opposed to U.S. Military Bases; Written for PRAVDA"]

[Excerpts] Why did the Filipinos in the presidential elections of 1986 reject the dictatorship of Ferdinand Marcos by voting for Corazon Aquino, widow of an outstanding figure of the opposition? Replies to this question vary to this very day. Some people maintain that this was an expression of the Philippine people's dissatisfaction with the robbery of their state treasury, corruption, state bankruptcy, and other diseases afflicting the country; others explain it by their general dissatisfaction with the U.S. presence in the Philippines.

Who is right? Perhaps we can arrive at the real cause of ex-President F. Marcos' defeat by combining the two explanations—for it is the political and economic dependence on the United States that is causing stagnation in all spheres of social life in the Philippines. These combined causes are also confirmed by the incessant anti-U.S. protests, staged under slogans demanding the liquidation of U.S. military bases in the Philippines. [passage omitted]

The basic question—U.S. military bases in the Philippines, yes or no—was posed by President C. Aquino; but she merely expressed the moods voiced by the general public in her country long before her access to power. [passage omitted]

The U.S. military presence is not merely a permanent insult to the national awareness of the Filipinos, it is also a real threat to their security. The demands to abolish the Clark Field and Subic Bay bases (which most probably also contain nuclear weapons, although Washington is neither conceding nor denying this) have greatly escalated, particularly in view of the aggressive U.S. course in Asia and in view of the increasing militarist activities under the pretext of protecting the area against the "communist danger." The Filipinos do not want to become U.S. nuclear hostages or targets in a retaliatory strike. On taking up her presidency, C. Aquino therefore declared her decision to carry out a referendum on whether the validity of the treaty on U.S. bases (which was signed in 1947, and expires in 1991) should be prolonged.

The idea that it could lose an important launching pad in Southeast Asia has startled Washington. It exerted, and continues to exert, political and economic pressure on Manila from overseas (in fact, the Americans also have strong positions inside the country, for they account for 57 percent of all foreign investments in the Philippines). Steps are also being taken to simply pay ransom.

However, according to the paper MANILA CHRONICLE, even certain conservative political representatives in the Philippines—former advocates of close U.S.-Philippine ties—have now changed their views. To quote Blas Ople, ex-minister in the Marcos government now belonging to the political opposition, "many of my businessmen friends with generally deeply conservative views are now declaring that it is high time to evacuate the bases." Senator Leticia Shahani, head of the Senate Foreign Policy Commission, has demanded that the "umbilical cord" tying the Philippines to the United States be "severed."

The fate of the U.S. military presence in the Philippines depends on the coming referendum in the country. Everything indicates that the Philippine people will vote "no" to the U.S. bases. This can be concluded from the fact that a number of the country's provinces and cities have declared themselves nuclear-free zones. The draft law on the nuclear-free status of the Philippines is being considered by the congress, and everything indicates that it will be soon adopted. (It has already been passed by the Senate, that is, the upper chamber.) According to THE NEW YORK TIMES, importing nuclear weapons into the country will be banned, so that the U.S. military bases will be unable to exist in the Philippines in the future.

Supreme Soviet Aide Receives PRK Delegation
PM2610150788 Moscow IZVESTIYA in Russian
23 Oct 88 Morning Edition p 5

[TASS report: "Conversation in Kremlin"]

[Text] On 21 October T.N. Menteshashvili, secretary of the USSR Supreme Soviet Presidium, received a delegation of the PRK Prosecutor's office headed by Chan Min, the Republic's general prosecutor.

A friendly conversation took place during which the guests were briefed on the progress of restructuring in all spheres of Soviet society, the upcoming political reform, and the formation of a socialist rule-of-law state.

The Cambodian comrades spoke about the Cambodian people's struggle for their homeland's freedom and independence, the creation of organs of people's power in the country, and the consolidation of existing ones.

O.V. Soroka, USSR deputy general prosecutor general, and other officials took part in the the conversation.

CPSU Greet New Zealand Party Conference
PM2510103988 Moscow PRAVDA in Russian
21 Oct 88 Second Edition p 1

[CPSU Central Committee greetings message to Conference of Socialist Unity Party (New Zealand); undated]

[Text] To the Eighth Socialist Unity Party [SUP] (New Zealand) National Conference

Dear comrades!

The CPSU Central Committee cordially greets the delegates of the Eighth SUP National Conference.

People in the Soviet Union are well aware of the New Zealand Communists' struggle to defend working people's interests, to ensure an independent policy for their country, and to consistently implement its nonnuclear course.

Advocating the creation of an all-embracing system of international security, the CPSU and the Soviet public are prepared to continue to cooperate with the SUP and with all the country's peace-loving forces in combating the nuclear threat and in the struggle to transform the Pacific Ocean basin into a zone of peace and good-neighborliness.

We wish your conference successful and fruitful work.

May the friendship between the CPSU and the SUP and between the Soviet and New Zealand peoples strengthen.

CPSU Central Committee

Near East & South Asia

Najibullah Addresses Islamic Forum on Settlement *LD2710123388 Moscow TASS in English 1137 GMT 27 Oct 88*

[Text] Kabul October 27 TASS—President Najibullah of Afghanistan set forth the Afghan leadership's stance on issues of political settlement at his October 25 meeting with delegates to the International Islamic Conference in Kabul.

The text of his remarks has been circulated by BAKHTAR NEWS AGENCY.

Najibullah was quoted by the agency as saying that the accumulation of huge stockpiles of weapons, including nuclear and chemical, around the world called for transition to political methods of handling international conflicts and reducing tension in relations between individual nations.

Movement in that direction was visible at present as a result of the improvement of the international situation he said.

Afghanistan was one of the first to have pursued the policy of settling conflict by peaceful means by launching the course towards national reconciliation, the president observed.

"By proclaiming this course, we meant that all Afghans, irrespective of origin, religious and political persuasions, should bear responsibility for the destiny of the people and the state," Najibullah pointed out.

"Many backed the policy of reconciliation, some still reject it, others are doubtful.

There are people who think it is a temporary tactical step. But reconciliation is not tactics, it is a strategic line," the Afghan president emphasised.

"For its sake, we agree to compromises and have given up a monopoly on power. The government even agreed to leaving a number of regions in the country to the opposition.

The Armed Forces withdrew from 24 regions in the name of creating there an atmosphere of peace and securing a safe return of the refugees.

This is no indication of the government's weakness, but evidence of its responsibility to the people.

The Afghan leadership's new policy has made it possible to conclude an agreement on settlement after six years of negotiations, and one can say with confidence that if all parties to the agreement stood by their commitments, peace in Afghanistan would become a reality already today.

The commitments taken by the United States and Pakistan call for facilitating the process of the repatriation of Afghans, elimination of military camps on Pakistani territory and an end to arms deliveries and sending of armed groups inside Afghanistan.

The violation of these pledges results in the continuation of the war. Even on the sacred Islamic day of Muhammad's birth, 460 rockets hit the country's cities, killing 44 people, including 12 women and children, burning two cars and a bus and destroying several houses."

The fact that the situation in Afghanistan had somewhat heightened did not indicate that the Geneva accords were inviable, the Afghan president said.

It only attested to the breaching of the agreements and the mounting of foreign interference.

Najibullah stressed that the United States should abide by its pledges as a guarantor nation and the United Nations mechanism should increase its efficiency in controlling observance of all the instruments signed in Geneva.

Najibullah pointed to a certain shift in attitude visible already today: few people now believed that the Kabul regime would fall immediately on the withdrawal of the Soviet troops. Ever more people were thinking of national reconciliation as the only way to end bloodshed.

The president considered the question of international assistance to the Afghan settlement. He observed that the Afghans were able to handle their problems on their own, without any pressure from abroad.

"But we will welcome any mediation and assistance in reaching understanding among the Afghans," he said. "We have suggested starting talks between the government and the opposition in Saudi Arabia or any other country, say Egypt or Uganda.

Afghanistan will regard this assistance as being in accord with the principles of humanism and Islam."

Najibullah expressed confidence that the warring Afghan forces would display a sense of patriotism and responsibility and Afghanistan would embark through their dialogue upon a road to peace, stability, independence and neutrality.

Foreign Advisers' 'Subversion' in Afghanistan *LD2710083388 Moscow TASS in English 0827 GMT 27 Oct 88*

[Text] Moscow October 27 TASS—The disturbing events that have taken place in Afghanistan in the past months provide a graphic proof that the militant groups of "intractable" opposition use every effort to frustrate

the policy of national reconciliation, enjoying widely-based support from outside, KRASNAYA ZVEZDA writes today in a dispatch from Afghanistan.

Pakistan and the United States, a number of other countries, the correspondent writes, spare no resources on arming and training hired killers, flood Afghanistan with transport convoys carrying advanced armaments and special hardware. This is a gross violation of the Geneva accords.

Foreign military advisers and specialists act as coordinators. The scale of their subversive activities is wide-ranging—from the inspection of armed groups and planning of combat operations to supplying modern weapons to terrorists.

Foreign specialists in terror and subversion are active in provinces Qandahar, Nangarhar, Paktia and many other regions of Afghanistan. They act as instigators, pushing and directing rebel groups to continue bloody brigandage in the country.

Gerasimov Interviewed on Soviet Stand on Israel
TA2710100388 Tel Aviv HA'ARETZ in Hebrew
27 Oct 88 p 1

[Report by Daniyel Dagan]

[Text] Moscow—"From our point of view, the fate of the international conference on the Israeli-Arab conflict depends a lot on the Israeli elections. We see no need to change the Soviet position in order to hold the conference," Gennadiy Gerasimov, the Soviet Foreign Ministry spokesman, told HA'ARETZ. In an exclusive interview to HA'ARETZ, the foreign ministry spokesman added: "Progress has been made in the past year. There have been minor changes, and the conference is somewhat closer now—although it is still very far off. A great deal now depends on the outcome of the Israeli elections. We are conversing several days too early. Let us wait for 1 November."

HA'ARETZ: Last week the USSR again voted in favor of disqualifying Israel from the UN General Assembly. Is this not a regression in Moscow's position?

Gerasimov: No, this does not signify any change. We have traditionally supported the Arab position on ousting Israel, and we continue to pursue that policy. The vote, in fact, proves that there has not yet been any change.

HA'ARETZ: The visas of the Israeli consular delegation in Moscow have been extended once. Will the delegation receive an additional extension so that it may continue its stay in Moscow?

Gerasimov: I suppose so. If the members of the delegation do not complete their work and will want to stay on here for a longer period, they will surely receive visas.

HA'ARETZ: Do the members of the Israeli delegation meet with Foreign Ministry political officials?

Gerasimov: The Israelis came here to deal with consular-technical issues. They do not meet with political officials.

CPSU CC Greets Israeli CP Leader Vilner
PM2710171988 Moscow PRAVDA in Russian
23 Oct 88 Second Edition p 1

[Untitled CPSU Central Committee Greetings to Communist Party of Israel Central Committee general secretary]

[Text] To Comrade Meir Vilner, general secretary of the Communist Party of Israel Central Committee

Dear Comrade Meir Vilner!

The CPSU Central Committee cordially congratulates you, a prominent figure of the Israeli and international communist movement, on your 70th birthday.

You devote all your strength and your rich experience of politics and life as a patriot and internationalist to the struggle for the fundamental interests of your country's working people—Jews and Arabs—and to bringing closer the day when all the Near East peoples without exception will at last be able to live without wars, hostility, and violence and enjoy the inalienable right to freely choose their own path of development. We note with satisfaction the considerable services of the Communist Party of Israel and of you personally in the fact that evidence of the new antiwar thinking, which rejects the policy of aggression, occupation, and the arms race, is becoming increasingly perceptible among Israeli sociopolitical circles today. Your activity aimed at strengthening the fraternity and international solidarity between the CPSU and the Communist Party of Israel and at developing the mutual understanding between our countries' peoples is highly appreciated in the Soviet Union.

We wish you, dear Comrade Meir Vilner, good health and new successes in the struggle for the humanitarian ideals of peace, democracy, and socialism.

[Signed] The CPSU Central Committee.

Zakharov Interviewed on Delhi Conference
LD2210131788 Moscow Television Service in Russian
1800 GMT 21 Oct 88

[From the "Vremya" Newscast]

[Excerpts] A conference on Soviet-Indian friendship and cooperation in the spheres of politics, science, trade, and the economy ended in Delhi today. [passage omitted] [video shows scenes from meeting, with shots of USSR Culture Minister Zakharov speaking from podium] Our correspondent S. Alekseyev reports on his conversation with Culture Minister Zakharov:

[Begin recording] [Alekseyev] Vasilii Georgiyevich, a great conference has ended. Two enormous festivals—the Indian one in the Soviet Union and the Soviet one in India— which were, somehow, a culmination of our relations, are practically behind us, and it looks as though we have only to reap the fruits. Is that the case?

[Zakharov] Today, the main aspect at this conference was the current state of relations with India in the sphere of the economy, politics, science, technology, and culture. And in this analysis—I would say, a critical analysis of our relations—not everything was complimentary, not everything gladdened us in our relations; we spoke about what the festival had revealed in this regard. In the first place, it showed where we are strong, which aspects of our relations can be intensified, and which ones require further analysis and development. All this was the subject of analysis. I would say that there was a frank conversation, not only at the plenary session, but especially in the sections—a critical analysis. And we elaborated—some had already been elaborated—some proposals to transfer our relations from festival, so to speak, and to some degree festive relations, onto a permanent working basis. [end recording]

Sub-Saharan Africa

Angolan President Arrives in Moscow
*LD2710142288 Moscow TASS in English 1409 GMT
27 Oct 88*

[Text] Moscow October 27 TASS—Presidednt Jose Eduardo dos Santos of Angola arrived in Moscow today for a brief working visit at the invitation of the Soviet leadership.

He was welcomed at the airport by Anatoliy Lukyanov, alternate member of the Politburo of the Soviet Communist Party Central Committee and first vice-president of the Presidium of the USSR Supreme Soviet, and other officials.

Visit Arouses Media Interest
*LD2110101788 Moscow in Portuguese to Africa
1830 GMT 20 Oct 88*

[Excerpts] The foreign tour of Angolan President Jose Eduardo dos Santos in continuing. It will also include a visit to the USSR. This trip has aroused the exceptional interest of the international media. In general, all events in southern Africa are attracting great interest. This is natural. Speaking in Dar-es-Salaam in Tanzania, the first country visited by the president during his tour, Jose Eduardo dos Santos stressed that there are conditions for finding just solutions to the problem of the independence of Namibia and Angola's security. But will these conditions be transformed into real guarantees of Namibia's independence and Angola's security? General opinion has it that the process of a regional peace settlement is irreversible. This was recently said even by Savimbi, leader of the anti-Angolan Government movement

UNITA. I do not see how this process can be stopped, Savimbi said. It can be delayed, but I do not see how the clock can be turned back. Naturally, Savimbi has his own views on the prospects and the principles of settlement, which greatly differ from the Angolan Government's viewpoint.

But whatever the case, the problem of progress is the quadripartite talks on a settlement of the situation in Southwestern Africa, on settling a timetable for the withdrawal of Cuban troops from Angolan territory, and the principles on which the internal security of Angola should be based, will always be a constant in any commentaries linked with Jose Eduardo dos Santos' tour.

It seems that the planned short working visit to the USSR by the Angolan president will not be an exception. [passage omitted] The working visit by the president of the People's Republic of Angola and of the MPLA-Labor Party to the USSR naturally presupposes meetings with Soviet statesmen and party leaders. It is difficult to imagine that attention will not be paid to the problem in the southern part of Africa. But now on the eve of the visit, it has to be said that the most important principle of relations between the USSR and any other country—whether developed or developing—is always noninterference in its internal affairs and respect for its sovereignty.

How and on what basis will the internal conflict in Angola be resolved? This can only be decided by the Government of the People's Republic of Angola. As for the USSR, it is firmly convinced—as is Angola—that political realism is a secure basis for the solution of any conflict.

Angolan Minister on Namibian Independence
*LD2710121688 Moscow TASS in English 1146 GMT
27 Oct 88*

[Text] Luanda October 27 TASS—Countries which are parties to the quadripartite talks on a settlement in South-Western Africa continue regarding November 1 as the date when U.N. Security Council Resolution 435 on granting independence to Namibia goes into force, an Angolan minister has said.

Pedro de Castro van-Dunem, a member of the MPLA Workers' Party Central Committee Politbureau, Angola's minister of state for the productive sphere, minister of petroleum and energy, said as much at a meeting in Luanda on Wednesday.

Addressing the opening session of a seminar on oil prospecting and extraction in the countries grouped in the Southern African Development Coordination Committee (SADCC), the minister said that the talks had produced substantial results and were drawing to a close.

Despite South Africa's attempts to stall the decolonization process in Namibia, the remaining difficulties could be overcome, provided all the parties concerned displayed sufficient flexibility, the minister added.

The Angolan Government was doing all in its powers, the minister concluded, to achieve a durable peace in South-Western Africa still living in an atmosphere of instability and tension, something he blamed on the Pretoria regime.

RSA Intention To Delay Resolution 435 Noted
MB2410151188 Moscow in Zulu to Southern Africa
1830 GMT 21 Oct 88

[Unattributed commentary]

[Text] NAMPA, the Namibian news agency, told TASS South Africa wants to change 1 November as the set date for implementing UN Security Council Resolution 435. This is hardly surprising, considering South Africa's long apparent attitude to the whole issue. The Nkomati Accord and the Lusaka Agreement, as well as other agreements to resolve the problems of South-West Africa/Namibia, were undertaken by South Africa merely to keep the world community at bay and not with any genuine desire to adhere to them, as is the case with the present quadripartite talks, which have now dragged on for 6 months.

It has been noted several times that the South African regime has no intention of leaving Namibia and hopes to delay implementation of UN Resolution 435 for as long as it takes. There has not been much headway on the issue, even after days of talks but then, no one ever believed 1 November could be the implementation date.

For instance, SWAPO, which has long held South Africa's intentions with the territory suspect, warned that the regime intends to continue the armed conflict in Namibia. Pretoria has proved this and changed its mind within a few days of the given date.

Why is South Africa doing this now and not earlier? This may have something to do with what has been going on on the international scene. Pieter Botha has thus far kept the November date because of pressure from the United States, which intends to boost Republican party chances in the presidential elections, although he obviously had plans to the contrary. Now that Republican chances seem good, Botha has lost the desire to resolve the Namibian question and has chosen this time to reveal the regime's true intentions.

Burkina Faso Leader Outlines Policy Aims
PM2010121788 Moscow IZVESTIYA in Russian
19 Oct 88 Morning Edition p 5

[TASS correspondents S. Kondakov, V. Korochantsev report "Specially for IZVESTIYA" under the rubric "Reportage From Burkina Faso": "Changes in the 'Land of Worthy People'"]

[Excerpt] Ouagadougou-Moscow—[Passage omitted] A monument rises above Revolution Square—the Torch of Freedom. It was erected in honor of the August 1983

revolution, when a group of patriotically minded members of the military assumed power in Upper Volta. Shortly afterward, resolved to break away from its state of colonial and neocolonial vegetation, the country was renamed Burkina Faso, which means "land of upright men."

The People's Front published its rules and action program here in March this year.

"These documents reflect our wish to broaden democracy and open up great prospects for the growth of production forces," Blaise Compaore, chairman of the People's Front and Burkinabe head of state and government, said in a conversation with us. "In the economic sphere the action program aims to create an independent, planned, flourishing economy."

The present stage is known here as the process of rectifying mistakes. The country is analyzing the events of 15 October 1987, as a result of which Thomas Sankara was killed and replaced by the present government. The bloodshed created an unfavorable impression outside Burkina Faso. The head of state explained the events to us as follows:

"The Burkinabe people were involved on a very large, active scale in the 4 August 1983 uprising to bring the National Revolutionary Council to power. From the very outset it did everything possible to strengthen the revolutionary process. However, organizational errors were made. Instead of running the country with the people's help, it resorted to military means. In the end, the people were demotivated, because they felt that the revolutionary process was in the hands of reactionary forces and that this carried the threat of a restoration of neocolonialism. The people succeeded in making their rejection of this course felt on a massive, organized scale that equaled that of 4 August. This led to the events of 15 October 1987.

"The action program consistently dissociates itself from all demagoguery by giving preference to realistic, specific decisions appropriate to the present situation," the chairman of the People's Front remarked.

Our interlocutor noted that the move in the direction of democratization is intended to unfetter the people's initiative. "A revolution that denies debate becomes bureaucratic, instills fear, engenders mediocrity, and leads to disillusionment in the intelligentsia and indifference in the masses," B. Compaore said. "If we are consistent democrats, we must ensure that all trends can freely express their opinions and struggle together in a democratic movement."

The People's Front incorporates democratic and revolutionary organizations which are convinced of the need for the people to fight against imperialism and support the Front's program and rules. In accordance with the decree on the reorganization of popular structures, the

committees for the defense of the revolution have been dissolved and revolutionary committees of youth, women, veterans, workers, employees, peasants, and the military formed in their place.

"The front's main aim is to organize the people through the revolutionary committees along class and socioprofessional lines so as to allow every class and every social group to express and protect its own interests," Arsene Bongnessan Ye, national coordinator of popular structures, told us.

The new leaders have built good relations with the traditional councils of tribal leaders, trade unions, and the church.

The basic documents are distinguished by their realistic approach in many sections. The program indicates that after a certain period of people's democratic revolution the emphasis will be placed on state-capitalist forms of economic management. The need for this is dictated by the backwardness of Burkina society, where elements of different socioeconomic formations, including patriarchal and feudal structures, coexist and interweave together. Burkina Faso is one of the world's seven poorest countries and has great problems to overcome.

"We are working in the conditions of a capitalist economy, and the role of the private sector is considerable," Frederic Korsaga, minister of commerce and people's supply, said.

There are plans to give assistance to private and joint enterprises and create new state plants and factories. The state will retain control over strategic and priority sectors of the economy. [passage omitted]

East Europe

PZPR CC Politburo Sessions Reported

Rakowski Visit, Roundtable Viewed

PM2710150588 Moscow PRAVDA in Russian
27 Oct 88 Second Edition p 5

[TASS report: "PZPR Central Committee Politburo Session"]

[Text] Warsaw, 26 Oct—A PZPR Central Committee Politburo session held here has familiarized itself with and wholly approved the results of the brief working visit to the USSR by M. Rakowski, chairman of the Polish Council of Ministers.

A report published in the Polish press today points out that the PZPR Central Committee Politburo examined information about the preparations for the roundtable meeting. The resolve to hold this meeting in the very near future was reaffirmed and the hope expressed that persisting differences would be removed in the course of preliminary talks. It was pointed out at the session that

the roundtable will provide an opportunity to discuss all problems of substantial importance for the people and the country's future. The overwhelming majority of Polish society believes that the talks will be constructive and provide positive results in the political, economic, and social spheres. Cz. Kiszczak, Polish minister of internal affairs, has been authorized to put the PZPR's position forward at the forthcoming roundtable meeting.

The PZPR Central Committee Politburo examined political, organizational, and program directives on preparing PZPR delegations for a conference. It was decided to convene the conference for March-April next year. The forum will be tasked with assessing the implementation of the decisions of the 10th PZPR Congress, discussing the report on the Central Committee's work, and determining the directions for party activity in the period preceding the 11th Congress.

Economic Plan Examined

PM2710104788 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 21 Oct 88 p 3

[TASS report: "PZPR Central Committee Politburo Session"]

[Text] Warsaw, 20 Oct—Questions of the implementation of the plan for national economic consolidation were examined at a PZPR Central Committee Politburo session here.

The resolution points out that in order to implement the plan provisions it will be necessary to focus investment in sectors requiring priority attention, to introduce a stringent thrift system, and to open up extensive opportunities for economic activity in all sectors of the economy. It is the duty of party organizations and Communists in all sectors to mobilize efforts to support the transformations outlined by the plan.

The party leadership, the PZPR Central Committee Politburo noted, is currently receiving numerous letters and telegrams from labor collectives and party organizations reporting increases in output and reductions in the time taken to commission important industrial and power engineering projects. In these reports working Poland advocates patient steps toward reaching national consensus and the consistent implementation of economic and political reforms. The conviction is expressed that this can only be achieved by observing public calm and law and order. The Politburo expressed cordial gratitude to all patriotic working people who are carrying out their labor and civic duty with a high sense of responsibility at such a complex time for the country.

The session also heard a briefing on the results of the Moscow Days that recently ended in Warsaw. The PZPR Central Committee Politburo stated that they were a major political event and at the same time a highly interesting cultural event. The real-life and entirely unostentatious nature of the festival showed the great opportunities

opened up by Polish-Soviet cooperation in the sphere of ideology, science, and culture. All the participants received a powerful stimulus to step up exchanges of ideas and experience in different spheres of life and work, and to further organize business contacts and friendly relations between the two countries' peoples.

CPSU Delegation Visits Poland 17-22 Oct
PM2710155588 Moscow PRAVDA in Russian
23 Oct 88 Second Edition p 5

[TASS report under the general heading "Official Reports"]

[Text] A CPSU delegation visited Poland 17-22 October in accordance with the plan for ties between the CPSU and the PZPR. The delegation comprised Hero of Socialist Labor A. Ya. Kolesnikov, member of the CPSU Central Committee and leader of a composite team of mine workers, A. P. Myasnikov, member of the CPSU Central Committee and an excavator operator, S. V. Kleyko, candidate member of the CPSU Central Committee and an excavator operator, twice Hero of Socialist Labor I. I. Strelchenko, member of the Ukrainian Communist Party Central Committee and a USSR Supreme Soviet deputy, and Hero of Socialist Labor R. E. Litman, member of the Kazakh Communist Party Central Committee, deputy of the Kazakh SSR Supreme Soviet, and leader of a team of tunnelers.

The Soviet comrades visited miners' labor collectives in Walbrzych and Jelenia Gora Voivodships and exchanged experience of the renewal of the content and methods of party organizations' work. The delegation was received by W. Baka, member of the Politburo and secretary of the PZPR Central Committee.

Kosovo Situation Remains Tense, Deteriorating
PM2710151388 Moscow PRAVDA in Russian
27 Oct 88 First Edition p 4

[TASS report: "Situation in Kosovo"]

[Text] Belgrade, 26 Oct—The situation in Kosovo Autonomous Province, which is part of the Socialist Republic of Serbia, continues to alarm the Yugoslav public.

As is well known, nationalist disturbances flared up in 1981 in Kosovo, which is mainly inhabited by Albanians. The SFRY leadership took steps to rectify the situation, but there has still been no fundamental breakthrough. Interethnic relations in the province have been substantially undermined—Serbs and Montenegrins living there have been forced under pressure from local Albanian nationalists to leave their hometowns. According to the press, around 700 of Kosovo's population centers—or almost half of the total number—are still ethnically pure, that is, they are inhabited exclusively by

people of Albanian nationality as a result of the forced transfer of Serbs and Montenegrins. The situation in Kosovo is considerably complicated by the economic and social crisis.

"The complex domestic political situation in Kosovo is seriously threatening Yugoslav stability, and without its normalization it will be impossible to carry out the planned transformations in the economy, the political system, and the party," the 17th LCY Central Committee Plenum stressed the other day. Its participants pointed to the substantial shortcomings in the activity of the provincial party organization and stressed the need to take severe measures with regard to those responsible for the slow eradication of the causes of instability in the province. On the initiative of the League of Communists of Serbia Central Committee the plenum set up a working group tasked with studying the question of the responsibility of Kosovo's leaders A. Vlasi, K. Siroka, and S. Dolasevic.

It was in this situation, dictating the need for cadre renewal in the autonomous province's leading organs, that the Kosovo Federal Assembly gathered for its session Tuesday. The deputies released Kosovo Presidium members A. Hodza and D. Vasic from their duties and carried out cadre changes in a number of federal assembly commissions.

R. Morina, provincial secretary for internal affairs, who addressed the delegates, stressed that the situation in Kosovo remains very complex and is tending to further deteriorate. He stated that the continuing activities of Albanian nationalists and separatists are the main factor influencing the instability of the political situation in the province.

Yazov Cables Greetings to Romanian Counterpart
PM2510120988 Moscow KRASNAYA ZVEZDA
in Russian 25 Oct 88 First Edition p 1

[USSR Defense Minister Yazov message to Romanian Defense Minister V. Milea on Romanian Armed Forces anniversary; undated]

[Text] To Comrade Colonel General Vasile Milea, Romanian Minister of National Defense

Esteemed Comrade Minister!

On this, the 44th anniversary of the Army of the Socialist Republic of Romania, on behalf of the USSR Armed Forces and from myself personally I send you and all Romanian servicemen fraternal greetings and cordial congratulations.

I am confident that Soviet-Romanian combat cooperation will develop and grow stronger for the good of our peoples, the fraternal alliance of Warsaw Pact member states, and the cause of peace and socialism.

On this important day I wish you, comrade minister, and all members of the Army of the Socialist Republic of Romania new success in your military labor for the sake of strengthening the defense capability of your motherland and the entire socialist community.

With a communist greeting,

Army General D. Yazov, USSR defense minister

West Europe

Further on Visit by FRG Chancellor Kohl

27 Oct Moscow Activities

LD2710174188 Moscow TASS in English 1704 GMT
27 Oct 88

[Excerpts] Moscow October 27 TASS—West German Federal Chancellor Helmut Kohl finished the programme of his official visit to the Soviet Union today by visiting the Ostankino estate in Moscow. [passage omitted]

In the afternoon, Helmut Kohl visited the central market which is very popular with Muscovites. [passage omitted]

After the central market, Helmut Kohl visited the GUM, one of the biggest department stores in Moscow. The first Soviet state shop was opened in the building erected in the late 19th century in 1922.

At present, GUM's annual turnover stands at 700 million roubles. The store has a staff of 5,000 people and 200,000 buys are made in it daily.

During the visit to GUM the federal chancellor talked to Muscovites and Moscow's guests. Helmut Kohl stopped at the counters and asked the shop assistant about the conditions of their life and work.

The West German federal chancellor and the persons accompanying him saw the burial places near the Kremlin wall on Red Square.

26 Oct Visit to Monastery

LD2610182088 Moscow TASS in English 1728 GMT
26 Oct 88

[Text] Moscow October 26 TASS—Helmut Kohl, federal chancellor of the FRG, was cordially welcomed today to the chimes of the bells at the holy gate to the ancient Moscow Svyato-Danilov monastery. He was welcomed by the monastery's viceregent, Archimandrite Tikhon and by Konstantin Kharchev, chairman of the Council on Religion under the USSR Council of Ministers.

The Svyato-Danilov monastery unveiled before the guest and his entourage all its ancient beauty, now restored. The monastery was founded by the Moscow prince Daniil back in the thirteenth century.

Over the centuries, the monastery has seen many ups and down. Now, after a half century in Limbo, the monastery has joined those in operation at the request of the Russian Orthodox Church. The cloisters has become the spiritual and administrative centre of the Russian Orthodox Church. The restored monastery is the official residence of the patriarch of Moscow as well as the headquarters of the holy synod and of the department of external church relations of the Moscow Patriarchate which is in charge of the Russian Orthodox Church's links with religious communities of many countries. The huge restoration effort, with many things having had to be re-built almost from scratch—was carried out in a very brief period of less than five years. It was basically completed by the summer of 1988—the 1000th anniversary of Russia's baptising.

Helmut Kohl met with Metropolitan Yuvenaliy of Krutitsiy and Kolomna who is one of the prominent hierarchs of the Russian Orthodox Church and had a conversation with him. The foreign guest and the metropolitan together with the monastery people visited the Pokrovskiy Temple, the temple in honour of the fathers of the seven ecumenical cathedrals, and the Temple of the Holy Trinity. They also visited the patriarchal residence—a white marble palace over the entrance to which there is a mosaic icon of the "unbuilt- by-hand" savior, done with exceptional skill.

By now the monastery fence, which is as crenellated as that of the Moscow Kremlin, encompasses eight temples and outbuilding churches as well as several belfries. The ensemble of the monastery with the shining crosses of the cupolas became a veritable embellishment of a large housing and industrial area of Moscow.

The guest showed keen interest in the Icon painting shop. In that shop monks with the artistic gift create icons, thus proving that the spirit of the great Russian painter and saint Andrey Rublev, whose life spanned the fourteenth and the fifteenth centuries, has created the icon "Trinity" known all over the world.

Some icons painted by the monastery's masters are intended for the iconostasis of Optina Pustynya and Tolgskiy monastery, both of which, like the Danilov monastery, have recently been turned over to the Russian Orthodox Church by the Soviet Government.

As the viceregent of the monastery Archimandrite Tikhon said, the guest from the Federal Republic of Germany turned out to be a fine connoisseur of art, including icon painting. When he was leaving the monastery, he was presented with a memorable gift in the form of an icon of the savior and a miniature copy of the monument to the holy prince Vladimir which stands on the banks of the Dnieper in Kiev.

Sholz Visits Army Troops

LD2610130388 Moscow TASS in English 1222 GMT
26 Oct 88

[Text] Moscow October 26 TASS —West German Defense Minister Ruppert Scholz, who is in the Soviet Union within the framework of the visit by Federal Chancellor Helmut Kohl, today went to the Taman Guards Motorrifle Division named after Mikhail Kalinin. He saw how the troops live and train there, was shown military equipment and talked to privates, NCO's and commissioned officers.

Lukyanov Receives FRG Visitors

PM2710152188 Moscow IZVESTIYA in Russian
27 Oct Morning Edition p 4

[TASS report on USSR Supreme Soviet Presidium First Deputy Chairman A.I. Lukyanov's 25 October meeting with representatives of the West German public: "Ties Strengthening"]

[Text] Moscow October 25 TASS—Anatoliy Lukyanov, alternate member of the Political Bureau of the CPSU Central Committee and first vice president of the Presidium of the USSR Supreme Soviet, received in the Kremlin today representatives of the West German public who are staying in the USSR at the invitation of Soviet public organizations and in connection with the visit of West German Federal Chancellor Helmut Kohl.

Delegations of the central board and local branches of the federation of the "FRG-USSR" society, production councils of metallurgical enterprises of the Ruhr region, organizations grouping former participants in the WWII, as well as scientists, students of higher schools and gymnasias took part in the meeting.

Lukyanov told the guests how the party's course of restructuring was being implemented, about the economic reform and measures to refine the political system of Soviet society, which were reflected, in part, in the draft laws on changes and amendments to the USSR Constitution and on elections of people's deputies of the USSR, and about new approaches to international affairs.

Characterizing Soviet-West German relations, he noted great positive significance of bilateral ties and contacts between the public which makes its vigorous contribution to building up confidence and promoting cooperation. Stable mutually useful exchanges, which have the tendency toward further growth, and citizens' diplomacy are of particular importance between the states whose positions in Europe and in the world makes the state of their mutual relations a fundamental international factor, Lukyanov stressed.

In a frank and unconstrained atmosphere the participants in the meeting discussed questions which are uppermost to all people of Europe and the entire mankind today: questions of war and peace, economy and ecology, relations among people. They were unanimous that in Soviet-West German relations it is important to go forward, restoring and developing everything positive that was gained in the material and intellectual spheres, enriching cooperation with new facets. The interlocutors also declared for expanding ties among various social groups, the two countries' young people in the interests of reaching a new level of relations between the USSR and West Germany.

The West German representatives thanked for the hospitality accorded to them and wished success to the policy of restructuring and openness.

Participating in the talks were Yu.N. Khristoradnov and A.E. Voss, chairmen of the USSR Supreme Soviet chambers; V.V. Tereshkova, member of the USSR Supreme Soviet Presidium; A.F. Dobrynin, chairman of the USSR Supreme Soviet Soviet of Nationalities Foreign Affairs Commission; Yu.I. Zuyev, deputy chief of the CPSU Central Committee International Department; V.G. Lomonosov, deputy chairman of the AUCCTU; and Marshal of Aviation A.P. Silantyev, chairman of the Soviet War Veterans Committee.

Science, Technology Chiefs Meet

LD2610112288 Moscow TASS in English 1031 GMT
26 Oct 88

[Text] Moscow October 26 TASS—Scientific and technical cooperation between the Soviet Union and the Federal Republic of Germany (FRG) has considerably progressed of late, stated Boris Tolstykh, chairman of the Soviet Committee for Science and Technology. He met here today with Dr Heinz Riesenhuber, the FRG's minister of research and technology, who is accompanying Federal Chancellor Helmut Kohl during his official visit to the Soviet Union.

The interlocutors pointed out a big role played in the process by the inter-governmental agreement, which entered into force last year, on cooperation in science and technology.

The USSR and the FRG have for the first time combined at state level their intellectual and material resources in tackling major problems which most directly concern the life and health of people. These include peaceful uses of nuclear power, health care and agriculture.

Dr Riesenhuber emphasized special importance of joint work by the scientists of the two countries in such fields as the safety of nuclear reactors and the development of new nuclear power plants. His opinion is that the agreement, signed in the Kremlin on Tuesday, on cooperation

in peaceful exploration and uses of outer space became a good foundation for further expansion of scientific and technical contacts between the FRG and the USSR.

Kohl Farewell Ceremony, Departure

*LD2710180588 Moscow TASS in English 1746 GMT
27 Oct 88*

[Text] Moscow 27 TASS—Federal Chancellor Helmut Kohl of West Germany left the Soviet Union today. He paid an official visit to this country at the invitation of the Soviet leadership.

Before the departure a farewell ceremony for the head of the West German Government was held at the St. George's Hall of the Grand Kremlin palace.

Mikhail Gorbachev, general secretary of the CPSU Central Committee, president of the presidium of the USSR Supreme Soviet, and his wife said good-bye to Helmut Kohl and his wife and wished them a good trip.

Later on the farewell ceremony of the federal chancellor who returned to the residence was attended by Nikolay Ryzhkov, member of the Politburo of the Soviet Communist Party Central Committee and chairman of the USSR Council of Ministers. They went together in a motorcade to the airport accompanied by an escort of motorcycle outriders.

The Vnukovo Airport was decked with the state flags of both countries. A guard of honour of the Moscow garrison was lined up in the airfield. The band performed the national anthems of the Soviet Union and West Germany.

Nikolay Ryzhkov and Helmut Kohl reviewed the guard of honour.

The farewell ceremony ended with a march of the guard of honour.

Helmut Kohl and his wife were seen off at the ramp of the plane by Nikolay Ryzhkov and his wife together with other officials.

Commentary: Political 'Realism'

*LD2810000988 Moscow Domestic Service in Russian
1600 GMT 27 Oct 88*

[Aleksandr Zholkver commentary]

[Text] The official visit to our country by West German Chancellor Helmut Kohl ended today. Here to comment on its results is our political observer Aleksandr Zholkver:

This visit seems to have had a number of unusual aspects. As far as relations between the USSR and the FRG are concerned, both sides are of the opinion that a new chapter has been opened. The mere enumeration of

the agreements signed during the talks in Moscow took up a good half an hour at the final press conference. Some of these documents are without precedent in our relations: From the accord under which a West German cosmonaut will make a flight aboard a Soviet spacecraft, to the agreement on preventing incidents at sea, signed for the first time by the defense ministers of the two states.

Even the seemingly traditional economic and external trade agreement impresses, on this occasion, by its scale. West German banks have made a billion-rouble credit available for the modernization of light and food industry enterprises in our country. Of course, we should have accomplished this task on our own, but the international division of labor that is being more and more widely practiced in the world makes it possible to save time, and is mutually beneficial. This was pointed out during their visit to Moscow by the leading representatives of the West German business world, who for the first time perhaps, accompanied the chancellor on a trip abroad in such numbers. Incidentally, the chancellor himself, in an interview with Soviet journalists, remarked particularly that when businessmen go ahead, it is good for politics too.

As for the political aspects of the visit, they have been characterized, in my view, by realism, the desire to establish mutual trust, and the search for mutually acceptable solutions. We do, of course, have differences of opinion on many problems, from the building of a common European home to the so-called German question, and this was frankly acknowledged at the talks. Yet both sides were trying to look not backward, but forward, not only in the bilateral, but also in the European dimension, including various aspects of disarmament in Europe. This applies above all to the drawing-up of a joint political document, which is expected to be signed during the return visit of Mikhail Sergeyevich Gorbachev to the FRG, planned for the first half of next year.

Chancellor Kohl said more than once that these two visits are regarded as a single whole. There is every reason to suppose that contacts at summit level will strengthen the stability of relations between the two states, and stimulate promising new ventures in many spheres.

Meetings Held With FRG Officials 26 October

Silayev Meets Economic Official

*PM2810103388 Moscow PRAVDA in Russian
27 Oct 88 Second Edition p 4*

[TASS report: "Cooperation Questions Examined"]

[Text] I.S. Silayev, deputy chairman of the USSR Council of Ministers, received 26 October D. von Wuerzen, state secretary in the FRG Ministry of Economics, and a large group of representatives of business circles.

The conversation, which took place in a spirit of frankness amid a sincere desire for mutual understanding and a constructive search for solutions, examined questions of broadening and deepening USSR-FRG economic cooperation and exploiting new forms of production, scientific and technical collaboration, and cadre training. A number of concrete measures aimed at enhancing the effectiveness of cooperation have been coordinated.

Kamentsev Meets FRG Gas Official
PM2810104988 Moscow PRAVDA in Russian
27 Oct 88 Second Edition p 4

[TASS report under the general heading: "Official Reports"]

[Text] On 26 October V.M. Kamentsev, deputy chairman of the USSR Council of Ministers, received K. Liesen, chairman of the FRG's "Ruhrgaz AG" Board.

They discussed questions of mutual interest concerning the state and prospects for cooperation in the sphere of exporting Soviet natural gas.

Official Cited on Applications to Live in FRG
LD2210084488 Moscow TASS International Service
in Russian 0650 GMT 22 Oct 88

[Text] Moscow, 22 Oct (TASS)—In the Western press the "problem" of departures from the Soviet Union is raised from time to time. In particular reports appear to the effect that almost hundreds of thousands of Soviet citizens of German nationality are straining to leave to take up permanent residence in the FRG, but, allegedly, do not have that as a possibility.

In order to introduce clarity into this matter, the TASS diplomatic correspondent turned to the USSR Foreign Ministry Humanitarian and Cultural Ties Administration. He was told that in January-September of this year over 32,000 people had been permitted to leave for the FRG, only 192 having been refused such permission. Twenty-five people decided themselves not to leave after having already received the appropriate permission. Moreover 7,000 applications to leave are now under examination.

To this should be added a substantial number of temporary departures by Soviet citizens to the FRG on private business, that is to say, so called "guest trips". In the first half-year period of 1988 alone almost 8,000 people made use of this opportunity; 5,000 of them travelled to the FRG for the first time.

The Soviet side knows that the West German authorities are experiencing considerable difficulties in providing citizens, who have arrived in the FRG to take up residence from the socialist countries, including from the

Soviet Union, with accommodation and jobs. These persons find themselves there in difficult social and psychological conditions; there have been cases of direct discrimination against them. All this cannot fail to arouse anxiety.

Karpov Interviewed at Arms Talks With UK
OW2610111688 Moscow Television Service in Russian
2215 GMT 25 Oct 88

[From the Novosti newscast; V. Beletskiy video report]

[Text] A Soviet-British consultation on questions of arms limitation and disarmament has been held in Moscow.

[Begin recording] [Beletskiy] Such meetings have already become traditional. They permit the partners to inform one another about topical aspects of the problems under discussion, to clarify positions, to map out new approaches, and what is even more important, to establish an atmosphere of confidence. [video shows consultation in session with delegations facing one another across a conference table; video then cuts to show Beletskiy interviewing "V.P. Karpov, head of the Soviet delegation"]

[Karpov] We have just discussed a whole series of problems associated with forthcoming talks on conventional arms and reducing the level of troops and arms in Europe. We will also discuss questions associated with the formulation of a convention on banning and eliminating chemical weapons, on nonproliferation of nuclear arms, and questions relating to the proliferation of missiles and the missile technology. [video cuts to show Beletskiy interviewing "(D. Goulden), head of the British delegation" as Karpov looks on; (Goulden) speaks in English with Beletskiy providing translations]

[(Goulden)] The problem of conventional arms faces us as acutely as the problem of negotiations on nuclear arms, at which you managed to achieve great successes together with the Americans. Another important issue is chemical weapons, where certain progress has also been achieved over the past 2 years. A constructive atmosphere has taken shape here. We must now apply as much energy and pursue a positive approach to the problem of conventional arms, because this is of enormous political significance for Europe and means much to European security. [end recording]

UK Envoy Presents Credentials to Lukyanov
PM2710165388 Moscow IZVESTIYA in Russian
26 Oct 88 Morning Edition p 4

[TASS report: "Credentials Presented"]

[Text] A.I. Lukyanov, candidate member of the CPSU Central Committee Politburo and first deputy chairman of the USSR Supreme Soviet Presidium, received Rodric Quentin Braithwaite, newly appointed British ambassador to the USSR, in the Kremlin 25 October.

Presenting his credentials, the ambassador emphasized that much has been done over the past 3 years to reveal a commonality of views and to ease the suspicion and tension which arose historically. In the British Government's opinion, this has given a favorable boost to the process in British-Soviet relations which is to mark a new era in relations between the two countries. The ambassador said that his chief task is to help develop this process and create conditions for its irreversibility.

Accepting the credentials on behalf of the USSR Supreme Soviet Presidium and its chairman, A.I. Lukyanov greeted the ambassador and, through him, the people of Great Britain and its leadership. He drew attention to the large-scale restructuring taking place in the USSR, which embraces the economy, the social, political, and spiritual spheres, and people's very thinking. It was pointed out that the processes of the creative reinterpretation of the strategy and tactics of our country's foreign policy and of the assertion in the international arena of the new political thinking which the Soviet Union invariably follows are organically linked with the revolutionary transformations within Soviet society.

A positive assessment, on the whole, was made of the development of Soviet-British relations in recent years, and it was emphasized that the political dialogue whose direction and tone are set by meetings of the leaders of the USSR and Great Britain is the determining element in the system of bilateral contacts. The dynamism that has been achieved in Soviet-British relations must not now be lost, and fuller use must be made of their potential for building a more secure and stronger world.

Following the presentation of credentials, talks were held between A.I. Lukyanov and R. Braithwaite, during which some questions of Soviet-British relations were discussed, as well as international problems of mutual interest.

T.N. Menteshashvili, secretary of the USSR Supreme Soviet Presidium, and V.F. Petrovskiy, USSR deputy foreign minister, participated in the talks.

Latin America & Caribbean

World Court on Nicaragua

PM2710153788 Moscow PRAVDA in Russian
27 Oct 88 Second Edition p 5

[Vitaliy Korionov "Viewpoint" article: "World Community's Verdict"]

[Text] The UN General Assembly has adopted by an overwhelming majority a resolution urgently calling on the United States to "immediately carry out in full the International Court's 27 June 1986 ruling on the affair

known by the name 'Actions of a military and paramilitary nature in and against Nicaragua.'" The draft was supported by 89 delegations; there were 48 abstentions, and only the U.S. and Israeli representatives voted against.

Let us recall the history of the question. In an attempt to undermine Nicaragua, whose people had chosen the path of free and independent development, the Washington administration did not restrict itself to arming, training, and funding the Contras. Hiding behind slogans about combating "international terrorism," it directly participated in the organization of terrorist activity against this small sovereign country. As is well known, CIA mercenaries mined Nicaragua's sea ports, which led to fatalities and caused great material damage to the country; ships of other countries were blown up by the mines.

The Nicaraguan Government appealed to the International Court in the Hague, which is the supreme legal body of the United Nations and the Security Council. All 15 court members voted for the United States to immediately cease mining Nicaraguan ports and for the republic to be compensated for the damage caused. But Washington arrogantly announced that it would not recognize the International Court's jurisdiction in disputes concerning Central America. It thereby graphically demonstrated its real attitude toward the primacy of international law.

Naturally, the world community's condemnation of this unseemly line continued to grow. The aggressive U.S. actions in Nicaraguan waters were resolutely condemned by the Contadora Group countries. In 1986 the UN General Assembly adopted a resolution calling on the United States immediately to carry out the International Court's ruling in full. Washington has remained deaf to this call.

Now the General Assembly, supporting the Hague court's ruling, again is calling on the United States to end its obstruction of international law. Washington again is stubbornly refusing. The White House's unusual response was for the president to sign an order banning entry into the United States of officials representing the Nicaraguan Government. This despite the fact that the Nicaraguan ambassador and seven other staffers at that country's embassy had been expelled from Washington in July. Announcing this new unfriendly action, the president stated: "I decided that U.S. interests would be served by imposing definite restrictions on entry into the country by representatives and employees of the Nicaraguan Government..."

This, to be blunt, is a strange argument. Is not the peaceful settlement of the crisis in the Central America region and the normalization of relations with all the countries of the continent in line with genuine U.S.

national interests? Nonetheless, certain circles in Washington are stubbornly pursuing the line of ensuring that the policy of national reconciliation bypasses the Central America region, thereby prolonging the spirit of confrontation in the area.

Quite recently a bill was signed in the White House on the allocation of \$27 million for "limited humanitarian aid" to the Contras through 31 March 1989. It was also announced that Congress could be convened at any time to examine the question of the "provision of emergency aid to the freedom fighters." Meanwhile these "freedom fighters" are continuing their bloody crimes in those parts of the country where they can still obtain arms. Major subdivisions of the Honduran army are being drawn up along the Nicaraguan border, and Honduran naval launches continue to violate Nicaragua's maritime borders, attacking its ships.

J. Wright, speaker of the lower house of Congress, recently compared CIA policy in Nicaragua to the actions of that department's agents in destabilizing the domestic political situation in Chile in the early seventies and the mining of Nicaraguan ports in 1984. In turn, Senator C. Dodd, chairman of the Senate Committee on Foreign Relations' Subcommittee on the Western Hemisphere, said that he was not surprised by the CIA's illegal actions. "An organization that mines ports in violation of international laws or publishes brochures telling the Contras how best to deal with government officials is entirely capable of this," Dodd noted sarcastically.

The international community, however, has its own opinion on this score. One feature of the current world situation is that there is a growing desire everywhere to put a stop to the arms race, regional conflicts, and the spirit of enmity and distrust. The resolution adopted by the United Nations is further evidence that these aspirations are becoming universal in this international forum, too. It is finally time for Washington to listen seriously to the will of countries and peoples.

Condolences to Nicaragua Over Hurricane Damage
PM2710154588 Moscow PRAVDA in Russian
26 Oct 88 Second Edition p 2

[TASS report: "Condolences Telegram"]

[Text] The USSR Supreme Soviet Presidium and USSR Council of Ministers have sent a telegram to Nicaraguan President D. Ortega. It says:

"Please accept our most sincere sympathy in connection with the devastating natural calamity that has befallen the fraternal Republic of Nicaragua, claiming human lives and causing considerable material damage.

"Please convey our profound condolences to the families of the dead and to the victims."

Soviet-Cuban Economic Projects Dogged by Problems
PM1810085188 Moscow PRAVDA in Russian
15 Oct 88 First Edition p 4

[Own correspondent A. Moiseyev dispatch under the rubric "Integration Steps": "Time Won't Wait"]

[Text] Havana—"Do we cooperate effectively?" People at virtually all the facilities on the Island of Freedom based on Soviet-Cuban cooperation ask this question. Not only do they ask this question but they also inquisitively seek an answer—honestly and in a party-minded fashion.

I have had occasion to visit many enterprises and construction sites where our specialists work. I must say that they ardently support the CPSU course of restructuring, accelerating economic development, and glasnost and sincerely share the principles of international assistance that the Soviet country offers the fraternal people.

Our cooperation dates back virtually 30 years. Approximately 400 industrial and other facilities have been constructed in Cuba through joint efforts. In this time commodity turnover has increased by a factor of 50 and totals approximately R8 billion per year. There is virtually no important sector on the island that Soviet organizations have not offered their friends assistance in developing. It is through cooperation with the USSR that a unified national power grid has been set up in Cuba, and approximately 85 percent of the island's territory is electrified. Oil extraction has reached 900,000 tonnes a year. At facilities constructed and modernized with USSR assistance our Cuban partners today produce, for instance, 95 percent of the steel and 100 percent of the rolled iron. Havana's "Antillana de Acero" Metallurgical Plant is one of the enterprises in this most important industrial sector. This is the third year that it has provided the republic with a steady 400,000 tonnes of steel. The plant is profitable and money-making. Approximately 80 percent of the output that it produces bears a quality seal. Approximately one-third of it is exported.

The enterprise has been partially reconstructed, and number of workshops have been modernized. Workers are installing continuous steel casting units and mastering the manufacture of stainless brands of steel, which is extremely important in a moist tropical climate.

"We have wonderful friendly business relations with our Cuban colleagues," Sergey Bakradze, secretary of the party committee of the group of Soviet metal workers at the plant, said. "They have a 2-year Russian language course. We have jointly equipped a 'V.I. Lenin-Jose Marti' Room. Our friends do voluntary unpaid work on Saturdays or Sundays—and we work with them. If problems crop up, we get together and discuss them and seek a solution honestly in a comradely fashion. Instances of the Soviet partners' uneven deliveries of metal components arose recently. This caused most

serious complications at the plant: One rolling mill has already stood idle for a total of more than 1,500 hours! Things are no better with Soviet deliveries of refractory brick for open-hearth furnaces. Yet there are quite specific accords between our countries governing this. I would like the departments responsible for such outrages to rectify the situation without delay..."

Soviet specialists are helping organize the extraction and processing of nickel-cobalt ores, which is enabling the republic to be a world leader in this sphere.

Our cooperation is broadening in the sphere of sugar production, and although a number of difficulties—reduced sugar beet plantation productivity, prolonged drought, damage from insects and pests, and hurricanes—are making it impossible to secure the highest results, Cuba produces more than 7 million tonnes of raw sugar per year. Sugar refineries have been reconstructed with the USSR's assistance. The production capacities created jointly in the sector have made it possible to harvest approximately 70 percent of the entire sugar beet crop by combine and more than halve the number of cane cutters.

Soviet assistance in training skilled cadres in all sectors of the economy is vitally important for both the present and future of Cuba. More than 300,000 Cubans have already undergone production training in various establishments, in construction, and in the process of commissioning facilities created as a result of our cooperation. Some 13,000 emissaries from the fraternal republic have been educated in Soviet VUZ's and technical colleges. Thousands of our Cuban friends are now studying in our country...

The citing of numerous specific facts still cannot present the full picture in all its diversity. It is only by directly visiting facilities and talking with dozens of people that you can form an opinion of the real situation. When analyzing it, you become firmly convinced that the results of our joint labor could have been much more weighty and considerable if it had proved possible for us and our Cuban friends to bring cooperation reserves into play in a timely fashion.

Unfortunately there has been a lot of neglect. Take, for instance, the equipment and material supplies from the USSR that failed to take into consideration the technological installation sequence, or the incomplete deliveries and mistakes in project decisions. There is no harm in admitting that our partners have also been prone to serious imperfections, which Cuban comrades themselves have mentioned. Using their words, I will cite such errors as a chronic shortage of skilled manpower at joint construction sites, an inadequate standard of labor organization, and a failure to provide facilities with a satisfactory supply of local construction materials and mechanisms. Boosting the quality of labor is still on the agenda.

Many of these factors have led to a complex tense situation at such major cooperation projects as the "Juragua" AES, the Cienfuegos Petroleum Refinery, and also the Ernesto Che Guevara Nickel Combine in Punta Gorda, where problems arose with perfecting a technological system.

V.M. Kamentsev, deputy chairman of the USSR Council of Ministers and chairman of the Soviet section of the Soviet-Cuban Commission on Economic and Scientific and Technical Cooperation, stated in an interview with GRANMA during a visit here that our countries' competent organizations have taken and are continuing to take serious steps, including changing individual project decisions, in order to ensure that the Ernesto Che Guevara Plant first production line in Punta Gorda operates steadily and manufactures the planned 10,000 tonnes of nickel cobalt output. Work is now underway to complete construction of the facility's second production line.

The time necessitates bolder and more vigorous resolution of all the problems that have accumulated in our cooperation and necessitates progressive thought and a rational approach. It is a question not only of eliminating "bottlenecks" but also of establishing and developing direct production ties and patronage assistance and transferring to cooperative forms of cooperation, actively developing these on a barter basis and on the basis of customer-supplied raw materials and extensive organization of joint enterprises.

The first shoots of direct ties already exist. A number of Soviet and Cuban enterprises have established reciprocal ties. Many are ready to sign similar agreements. Admittedly, some of them (both on our side and on our friends' side) are still displaying some sluggishness on this question, failing to make haste and continuing to waste valuable time.

The volumes of cooperation in the current 5-year plan are 18 times higher than those in the years 1961-1965. The prospects are wide-ranging. Take the agro-industrial complex. The creation or expansion of capacities producing types of output of very great importance to our countries' economies has been mapped out. They include, for instance, furfural, which is obtained from the waste products derived from sugar beet processing and which is the basis for the production of various resins, anticorrosive coatings, solvents, high-plasticity concrete, and alcohols. They include lysine—an amino acid which, when added to livestock feed, considerably accelerates their growth and boosts their weight increase. They include pectin, a product in short supply made from citrus fruit residue and used in the confectionery industry and pharmacology.

The prospects for Soviet-Cuban cooperation in the development of electrical power generation on the island are also extensive, and large reserves have been uncovered in our cooperation in machine building and many

other sectors of the economy. This year alone there are plans to commission more than 20 facilities, workshops, and installations of various kinds on the Island of Freedom with the assistance of Soviet specialists.

Trade links will also be further developed. The USSR will continue to supply Cuba with machinery, equipment, automobile and railroad transport, tractors, construction equipment, oil and petroleum products, ferrous and nonferrous metals, fertilizers, lumber, grain, cotton, fabrics, foodstuffs, and consumer goods. In turn Cuba will supply the Soviet Union with raw sugar, citrus plants and processed citrus products, coffee, tobacco goods, dressed nickel ore, and marble blocks and slabs.

The future strategic areas of Soviet-Cuban trade and economic relations were reflected in the new important documents signed recently in Havana—the concept for the development of foreign ties between the USSR and Cuba for the next 15-20 years and an agreement on direct production ties.

....Today as never before the question of the effectiveness and quality of our cooperation arises acutely. The stages of Soviet-Cuban cooperation must lead upward to loftier and more contemporary forms of cooperation. It is not enough just to work for this—the times require that we act more promptly and be self-critical and exacting toward ourselves and our partners.

Political & Social

Further Reportage on Supreme Soviet Session

27 Oct Proceedings Reported

PM2810101588 Moscow IZVESTIYA in Russian
28 Oct 88 Morning Edition p 1

[Unattributed "Information Report on USSR Supreme Soviet Sessions"]

[Text] The 11th session of the USSR Supreme Soviet, 11th convocation, began work in Moscow 27 October 1988.

The first joint session of the Soviet of the Union and Soviet of Nationalities was held in the Great Kremlin Palace at 1000 hours. A.E. Voss, chairman of the Soviet of Nationalities, was in the chair.

On the basis of a proposal from the USSR Supreme Soviet Presidium approved by the Council of Elders, the USSR Supreme Soviet ratified the agenda and working procedure for the session.

The session agenda included the following questions:

1. On changes to the makeup of the USSR Supreme Soviet Presidium.
2. On the State Plan for the USSR's Economic and Social Development in 1989 and the progress in fulfilling the State Plan for the USSR's Economic and Social Development in 1988.
3. On the USSR State Budget for 1989 and the execution of the USSR State Budget for 1987.
4. On the ratification of USSR Supreme Soviet Presidium decrees.

The USSR Supreme Soviet embarked on the examination of the first question on the session agenda.

The chairman of the session reported that Deputy V.I. Vorotnikov, member of the CPSU Central Committee Politburo, had been elected chairman of the RSFSR Supreme Soviet Presidium. On the basis of a proposal from the CPSU Central Committee and the USSR Supreme Soviet Presidium, the USSR Supreme Soviet elected Deputy V.I. Vorotnikov as deputy chairman of the USSR Supreme Soviet Presidium for the RSFSR. Deputy V.P. Orlov was relieved of these duties in connection with his retirement. Deputy B. Yazkuliyeu was also relieved of his duties as deputy chairman of the USSR Supreme Soviet Presidium.

The USSR Supreme Soviet embarked on the examination of the second and third questions on the session agenda—it heard the report from Deputy Yu.D. Maslyukov, candidate member of the CPSU Central Committee Politburo, first deputy chairman of the USSR Council of Ministers, and chairman of the USSR Gosplan, on the State Plan for the USSR's Economic and Social Development in 1989 and the progress in fulfilling the State Plan for the USSR's Economic and Social Development in 1988, and the report by Deputy B.I. Gostev, USSR minister of finance, on the USSR State Budget for 1989 and the execution of the USSR State Budget for 1987.

Speeches were then delivered by Deputy G.I. Marchuk, president of the USSR Academy of Sciences; and Deputy S.A. Shalayev, chairman of the AUCCTU.

The first session of the Soviet of the Union was held in the USSR Supreme Soviet Chambers' Hall of Sessions at 1500 hours. Yu.N. Khristoradnov, chairman of the Soviet of the Union, was in the chair.

The deputies and guests stood in silence in memory of deceased Deputies G.S. Zolotukhin, S.A. Losev, V.N. Poletskov, and A.I. Portnovaya.

The coreport of the Plan and Budget Commission and other standing commissions on the State Plan for the USSR's Economic and Social Development in 1989, the progress in fulfilling the State Plan for the USSR's Economic and Social Development in 1988, the USSR State Budget for 1989, and the execution of the USSR State Budget for 1987 was delivered by B.V. Kachura, chairman of the Plan and Budget Commission.

The following deputies spoke in the debate on these questions: F.A. Tabeyev, V.P. Fokin, V.A. Dyagel, S.V. Kolpakov, V.A. Lunev, B.A. Zhuravlev, B.A. Kuptsov, B.P. Vidyayev, and O.Ye. Cherkeziya.

The session continues.

More on Soviet of Union Session

LD2710134188 Moscow Domestic Service in Russian
1300 GMT 27 Oct 88

[Text] The 11th session of the 11th convocation of the USSR Supreme Soviet is continuing its work in the Kremlin. The first session of the Soviet of the Union began at 1500 [1200 GMT] in the session hall of the houses of the USSR Supreme Soviet. Participating in it are Gorbachev, Vorotnikov, Zaykov, Ligachev, Medvedev, Ryzhkov, Slyunkov, Shcherbitskiy, Lukyanov, Maslyukov, Razumovskiy, Solovov, Talyzin, and Baklanov. The deputies are examining questions of the plan and the budget of the country.

Report on Budget Heard

LD2710151788 Moscow Domestic Service in Russian
1400 GMT 27 Oct 88

[Text] Today is the first working day of the routine session of the USSR Supreme Soviet which is taking place in the Kremlin. A joint session of the chambers of the Soviet of the Union and the Soviet of Nationalities was held in the morning. Deputies listened to reports on the plan for the country's economic and social development for 1989, on progress in fulfilling the plan for the current year, and also on the USSR's budget for the forthcoming year and the fulfilment of the budget for 1987. Then the session of the supreme organ of the country's state power continued in separate sittings.

At 1500 [1200 GMT] the first session of the Soviet of the Union began. Comrades Gorbachev, Vorotnikov, Zaykov, Ligachev, Medvedev, Ryzhkov, Slyunkov, Shcherbitskiy, Lukyanov, Maslyukov, Razumovskiy, Solovyev, Talyzin, and Baklanov are taking part in it. Deputy Kachura, chairman of the Plan and Budget Commission of the Soviet of the Union, delivered the report on the plan for economic and social development and on the USSR's budget for the forthcoming year. As a result of examining the budget for the forthcoming year, the commission revealed a possibility for an additional output of production and for increasing on this basis the budget revenue by R1,425,500,000. Of this sum, R1,303,000,000 are proposed to be used towards reducing the budget deficit, whereas R122,500,000 will go towards strengthening the material and technical basis of general education schools in rural areas, rural and settlement soviets of people's deputies, and the organization of services and amenities in towns, workers settlements, and rural rayon centres. The speaker proposed to endorse the plan for economic and social development and the USSR's budget for 1989. Then deputies then went over to discussing issues related to the plan and budget.

We are informing our listeners that the first sitting of the Soviet of Nationalities will open tomorrow at 1000 [0700 GMT].

Supreme Soviet Begins 2d Day

LD2810071388 Moscow TASS in English 0709 GMT
28 Oct 88

[Text] Moscow October 28 TASS—The USSR's Supreme Soviet (parliament), in session in the Kremlin for the second day, today continued the discussion of the draft plan for the country's social and economic development and the draft budget for 1989.

The debates are being held separately in the two houses of the Soviet parliament, the Council of the Union and the Council of Nationalities.

The first day of the discussion showed that the parliamentarians regard the plan and budget figures as acceptable. All the indicators have been substantially altered in the process of lengthy and at times acute debates at standing parliamentary commissions before the session.

Greater social orientation is the basic distinguishing feature of the next year plan and budget. About two-thirds of expenditures are to be set aside for improving living standards.

Real per capita incomes are to be increased by more than three per cent over the year.

The production of consumer goods is to exceed that of means of production by 2.3 times—an unprecedented figure for the Soviet economy. In the best of times the indicator stood at 1.1.

Chebrikov, Others Attend

LD2810092188 Moscow Domestic Service in Russian
0800 GMT 28 Oct 88

[Text] The session of the USSR Supreme Soviet continues its work in the Kremlin today. The first sitting of the Soviet of Nationalities began at 1000. Taking part in it are Comrades Chebrikov, Yakovlev, Biryukova, Vlasov, Maslyukov, and Yazov. The deputies are discussing the question of the country's plan and budget.

Officials' Comments Noted

LD2810100688 Moscow Domestic Service in Russian
0830 GMT 28 Oct 88

[Report by special correspondent Olga Vasilenko from the Kremlin on 2nd day of USSR Supreme Soviet Session]

[Excerpts] We have already told you that the second day of the (USSR Supreme Soviet) session began with separate sittings of the chambers. The deputies of the Soviet of Nationalities are currently at work. As previously arranged, before the opening of the debates on the report of the plan and budget—they were made yesterday and published in the newspapers today—a speech was made by Nikolay Ivanovich Maslennikov, chairman of the Planning and Budget Commission of the Soviet of Nationalities. He spoke about the work done by the preparatory standing commissions to establish the reasons for the imbalance between individual sections of the plan and budget and to seek out reserves to improve the work of this or that industry. The deputies urgently demanded that the ministries ensure that treaty relations are more stable: It is simply impossible to work without this in the new economic conditions.

Consumer goods: In my opinion, the sharpest discussions were held in the commission concerned with these problems. And it could not be any other way, because we all know what the situation is with these goods. In rural areas, for example, only one person in a hundred is able

to buy a suit and an overcoat—you can imagine what the situation is like in our rural areas. And the efforts of enterprises are mainly directed toward—this was said by the deputies—increasing their profits through raising prices and pushing out cheap goods. But the State Committee on Prices—and the deputies made particular reference to this—has still not worked out a clear position on this question. So the commissions have found an opportunity to increase the production and marketing of such goods to a total of R1.7 billion, and they have asked the session to approve the plan taking this amendment into account.

Mention was made at the session for the first time about a deficit in the plan. And the deputies are analyzing why this has happened. It was noted at the session that the main way to overcome this is to increase production efficiency. Loss-making enterprises alone are losing R11 billion. In kolkhozes and sovkhozes losses amount to about R15 billion a year. And how much of the funds of our long-term construction sites have been frozen? Several billion rubles!

And here is another painful issue: foodstuffs. The deputies said it is necessary to put right the provision of regions with foodstuffs. In order to do this agricultural efficiency must be improved, scientific norms of applying fertilizer are required, good equipment is needed. As long as such things are absent there will be mismanagement, wastefulness, and a reduction in output-capital ratio, resulting in further losses in the rural areas.

At the center of the deputies' attention were, of course, consumer services, health, housing, and problems of preparing for the winter. And amendments to the plan and budget are also being made on all these matters, and, of course, they will be taken into account.

What can I single out from the speech by Deputy Kovalev, chairman of the Belorussian Council of Ministers? He opened the debates and noted that the republic is working persistently and exceeding the tasks on the main economic indices. But people are very worried about problems of ecology, since Belorussia has its own peculiarities. There have been 15 years of intensive industrial development; its level has trebled. There have been difficulties with labor resources, power, and transport, and of course the situation has become very complicated following the Chernobyl disaster. And all this, Comrade Kovalev noted, needs to be taken into account when shaping next year's plan to prevent the ecological situation in the republic from deteriorating. [passage omitted]

A number of other deputies also spoke in the debates. In the second half of the day both chambers will be in session, but meeting separately.

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[Report by Deputy Yu.D. Maslyukov, candidate member of the CPSU Central Committee Politburo, first deputy chairman of the USSR Council of Ministers, and chairman of the USSR Gosplan, delivered at the 27 October 1988 morning joint session of the USSR Supreme Soviet of the Union and Soviet of Nationalities: "On the State Plan for the Economic and Social Development of the USSR in 1989 and the Progress of Plan Fulfillment in 1988"]

[Text] Comrade deputies! The USSR Council of Ministers submits the State Plan for the Economic and Social Development of the USSR in 1989 for your examination. The elaboration and examination of the draft plan and its subsequent implementation coincide with a truly revolutionary period of reform of the political system and a fundamentally new social situation in the country, created by the 19th all-union party conference decisions. The far-reaching processes which encompass virtually all spheres of Soviet people's activity and all aspects of our domestic life and international relations have been given a weighty and dynamic name—restructuring.

Restructuring has activated the working people's mighty creative potential and has made everyone aware of the need to make his contribution to the improvement of socialism and the acceleration of socioeconomic development. The country has witnessed broader than ever debates in the press and all mass media and at numerous meetings of working people on a number of fundamental economic problems. The utmost consideration was given to public opinion during the elaboration of the plan.

It can be said without exaggeration that the State Plan for the Economic and Social Development of the USSR in 1989 is now the result of truly collective work.

1. The Country's Present Economic Situation and Progress of Plan Fulfillment in 1988 [main subhead]

The 1989 plan was elaborated with due consideration for the positive developments which have taken place in the country's economy during the past 3 years of the 5-year plan period. The most important result of this period, as the 19th all-union party conference emphasized, is that the economy is now out of the precrisis situation and the process of improving the national economy's health is under way. The pace of economic growth is faster, industry's base sectors are working more steadily, production efficiency is being enhanced, and the Soviet people's living conditions have improved. But these positive changes did not occur overnight or easily. Positive trends in the economy are making their way by overcoming many accretions of the past.

The year 1988 will make a major contribution to the improvement of the country's economic situation. There is an incipient enhancement of the economy's dynamism. The growth rate of produced national income in 1988 is expected to reach 4.6 percent against 2.3 percent in 1987, while the growth rate of the population's real incomes is expected to reach 3.5 percent against 2 percent. Noticeable positive changes are occurring in the efficiency of social production. There are positive results in the acceleration of scientific and technical progress.

Special mention must be made of the fact that this year we managed to advance in the social reorientation of the economy. The growth of output production in industry's Group "B" is faster than the growth in Group "A." There has been a substantial expansion of the scale of housing, social, and cultural construction. The retail trade turnover plan is expected to be fulfilled for the first time in many years. Its growth will be 2.5 times greater than the average growth in the first 2 years of the 5-year plan period.

At the same time, we must not flatter ourselves with these improving general economic indicators. After all, the lag which was allowed to build up in 1986-1987 has still not been made up. As was noted at the recent USSR Council of Ministers session which examined the results of the USSR national economy's development this year, the far-reaching processes in the economy indicate that a number of negative tendencies are not only being sustained but are actually strengthening. Persisting shortcomings in the production, gathering, processing, storage, and marketing of agricultural products prevented any improvement in food supplies for the population. Light industry has still not picked up the 5-year plan's pace in terms of many products. The development of machine building is lagging behind the 5-year plan targets.

Shortcomings in the investments sphere are being eliminated only slowly. The country's financial situation remains highly complex. The state's expenditure continues to rise faster than its revenue. Losses by enterprises amount to R11 billion.

Overcoming these and other shortcomings is one of the most important tasks of the 1989 plan. And the main point here is the consistent introduction of the new economic mechanism.

2. 1989—The Year for Completing the Transition to Full Economic Accountability and Self-Financing [main sub-head]

Over one-half of enterprises in industry and other national economic sectors operated on the basis of full economic accountability and self-financing in 1988. Despite the transitional nature of the present stage of radical economic reform, it can be stated that full economic accountability is beginning to yield positive

results. Virtually all economic results of the activity of enterprises working on the new principles of economic management are better than industry's average.

All sectors will operate in conditions of the new economic mechanism in 1989. But by no means have all elements of this mechanism had a positive effect on enterprises' work. Some sectoral and local leaders still continue to exert pressure on production through gross indicators, even though they have been excluded from the number of plan targets for enterprises. State orders have been overloaded. Direct long-term economic ties are being established only slowly, and the development of wholesale trade is also slow. We have to introduce forms of economic relations which stimulate a greater contribution by everyone to social production, enhance personal interest in improved quality of labor, and strengthen workers' discipline and responsibility.

We are talking about, for example, a progressive form of economic relations like lease contracts. The year 1989 must be a year of sharp expansion of the sphere of lease contracts' operations, especially in agriculture. Leasing creates conditions for integrating thrifty stewards with collective farms on the basis of socialist ownership.

Cooperatives and citizens engaged in individual labor activity will make a steadily growing contribution to resolving the tasks of supplying the market and improving services to the population.

Thus, the country's economy in 1989 will be distinguished by completely new features. Of course, the plan for this year must create all the necessary conditions for the economy's more efficient functioning. First of all, it must be stressed that the draft plan for 1989 was prepared mainly with due consideration for the suggestions elaborated by labor collectives.

Provisional regulations for the procedure of forming state orders were brought into force. The proportion of state orders in the total volume of production has been significantly reduced in 1989. State orders accounted for 86 percent of the total volume of output by the machine building complex this year, but will account for only 25 percent in 1989; the respective figures will be 95 and 59.4 percent in the fuel and energy complex, 86 and 42 percent in the metallurgy complex, 87 and 34 percent in the chemical industry and timber complex, and 96 and 30 percent in the USSR Ministry of Light Industry.

There have also been changes in the procedure for supplying the sectors with capital investments and material and technical resources. Now the proportion of capital investments funded by enterprises' resources (in the total volume of state capital investments) is to be 47.1 percent against 38.4 percent in the 1988 plan. The quantity of centrally allocated resources will be reduced from 5,100 item categories in 1988 to 546 in 1989, this being a reduction by a factor of more than 9, while wholesale trade will increase to R115 billion against R40

billion in 1988. Thus, central authority as represented by the USSR Gosplan and the USSR Gosstat will cease to be the sole repository and distributor of all resources. Ultimate balance can be achieved not only and not so much in the center, but also at the local level via the organization of direct economic ties and via the channels of wholesale trade.

It is necessary to mention that not all leaders of enterprises, ministries, and administrations are sufficiently aware of this fundamental change in the plan's nature. Evidence of this can be seen in the flood of demands for additional allocation of material and technical resources and requests to expand state orders. Enterprise leaders who strove so much for independence must, in the new conditions, also get used to taking responsibility for the organization of direct ties with their partners. As for the USSR ministries and departments and the union republic councils of ministers, they must be more active in taking on the role of organizers of cooperative ties between suppliers and consumers.

3. Improvement of the Plan as a Result of the Work of USSR Supreme Soviet Chambers' Standing Commissions [main subhead]

Comrade Deputies!

The USSR Gosplan organized a thorough examination of all comments and proposals made by deputies in the USSR Supreme Soviet Chambers' standing commissions involving USSR and union republic ministries and departments and virtually all central economic organs.

Unlike past years, when the resolution of many of the issues raised by deputies was postponed to later periods, specific amendments have now been made directly to the draft plan. I can tell you that agreed upon solutions have been reached on virtually all principal questions.

Mention should be made above all of changes that have substantially strengthened the plan's social thrust. An opportunity was sought for increasing retail trade turnover by R6 billion in 1989, linking it totally to trade resources.

As a result of the elaboration of additional measures to enhance the effectiveness of production capital investment, there was a further redistribution of such investment to the nonproduction sphere, which made it possible to increase the targets for the commissioning of housing by a total of 200,000 square meters and the targets for preschool institutions by 5,000 places, as well as the targets for other projects compared with the initial draft plan.

The question of paper was examined in detail. The government decided to increase resources of newsprint and printing paper by 60,000 and 30,000 tonnes respectively by reducing output of literature in limited demand and by cutting the quotas of paper for official purposes.

This made it possible to lift restrictions on subscriptions to central newspapers and journals, and measures will be taken in 1989 to build up paper resources in the country with a view to ensuring unlimited subscription to newspapers and journals.

Much work has been done in taking account of deputies' comments about providing the agro-industrial complex with capital investment and material and technical resources. The decision has been made to increase capital investment in the agro-industrial complex by cutting capital investment in other complexes. By cutting export shipments and deliveries to other consumers it has proved possible to increase deliveries to agriculture of the MTZ and YuMZ tractors, trucks, scrapers, graders, motor fuel, metal, and cement. Shipments of mineral fertilizers to agriculture have increased.

In line with deputies' proposals, funds for retooling the scientific research organizations of the USSR Academy of Sciences and union republic academies of sciences have been increased by R307 million—that is, they will be used to develop fundamental science, as deputies suggested.

Passenger turnover and the volume of air transport services have increased. Next year it will be possible to considerably ease the pressure on passenger movements, which has given rise to a great deal of press criticism.

The thorough analysis of deputies' comments with regard to questions of capital construction has made it possible, despite a fall in total capital investment of R3.3 billion as against the initial draft plan, to increase the commissioning of fixed capital by R2 billion, which has led to a reduction in the level of above-normative unfinished construction work.

Positive solutions have been found on questions of republics' economic and social development.

As a result of the above and a number of other changes, total national income used for consumption and accumulation has been increased by R4 billion in comparison with the initial version of the plan. The additional work on the draft State Plan for the USSR's Economic and Social Development in 1989 has made it possible to balance plan proportions more reliably, to enhance the economy's social thrust, and to increase the effectiveness of social production.

4. The Social Reorientation of the Economy Is the Main Feature of the Plan Proportions for 1989 [main subhead]

The main feature determining the most important proportions of the 1989 plan is the substantial social reorientation of the economy. Understandably, it would have been wrong to undertake a simple mechanical

redistribution of resources in favor of the social sphere to the detriment of the creation of the material and technical prerequisites for expanded reproduction in the future.

The elaboration of this principled task has shown that it can only be resolved on the basis of increasing the dynamism of the economy.

It is planned to increase produced national income by 3.8 percent and utilized national income by 3.4 percent in 1989 as against the plan level for the current year. Taking account of the course of plan fulfillment for this year, these are intensive plan indicators and their achievement will require a substantial improvement in the efficiency of social production.

Considerable growth is also planned for the most important national economic sectors. It is planned to increase industrial production by 4 percent compared with the 1988 plan. The growth rate for agricultural output will be 2 percent over and above this year's plan. Taking these indicators into account, GNP should increase by 4.5 percent.

The stepping up of the social thrust of the economy relies on major structural improvements. Above all, this concerns the fundamental balance between consumption and accumulation. In preparing the 1989 draft plan the methodical elaboration of this issue was considerably deepened and a well-balanced approach, differentiated with regard to various accumulation elements in national income that are highly diverse in terms of their roles, was used.

Thus, it is planned to increase accumulation in fixed nonproduction capital ensuring the development of the social sphere at a preferential rate. The buildup of really new and progressive equipment will predominate in the accumulation of fixed production capital. It is planned to reduce unfinished construction work and production stocks by increasing goods resources in the trading system. As a result, the proportion of funds channeled into consumption and sociocultural construction will increase to 81.6 percent as against the 78.5 percent stipulated for 1989 by the 5-year plan.

A major improvement is planned in ensuring the preferential growth of Group "B" industry. Whereas this preferential growth has increased a total of 1.1 times during the first 3 years of the 5-year plan, it is planned to increase 2.3 times in 1989.

The total proportion of capital investment for the national economy channeled into strengthening and developing the material and technical base of the social sphere will increase to 28.7 percent as against 23.6 percent in the 5-year plan.

The plan as a whole is typified by a number of positive structural improvements reflecting the growing process of intensification. Thus, on the basis of resource-saving it is planned to increase the correlation between end products and intermediate products. End product growth in the first 4 years of the 5-year plan as a whole should increase by 30 percent for every ruble of intermediate product growth. Output from fuel and raw material sectors will grow by 2.3 percent and that of processing sectors by 4.5 percent as against an overall growth in industrial production of 4 percent.

The overwhelming proportion of national income growth is to be ensured by boosting labor productivity.

At the same time, the efficiency of the utilization of production capital investment resources in the national economy is improving only slowly. Consequently, it is planned to lag behind the 5-year plan by reducing the metal- and energy-intensiveness of national income next year. The continuing high level of loss making and the large number of loss-making enterprises, organizations, kolkhozes, and sovkhozes are grounds for particular concern. The existence of loss making in the national economy is incompatible with the demands for radical economic reform, and we must resolve this extremely negative problem in the remaining 2 years of the 5-year plan. In carrying out this work, measures such as the amalgamation with economically strong enterprises of enterprises unable to break even within the time laid down, their transfer to the lease system, or—where unavoidable—liquidation in accordance with the USSR Law on the State Enterprise (Association) will be implemented.

5. Raising the People's Living Standards [main subhead]

Comrade Deputies! The economy in our country is being restructured, above all, for the Soviet people's sake, to improve all aspects of their life. Therefore planning organs have taken a particularly responsible approach to elaborating the sections of the 1989 plan related to raising the people's living standards, mindful of the certain social tension which has now taken shape in society because of the continuing imbalanced nature of the consumer market, particularly the food market, and the undeveloped nature of the services sphere.

Of course, all these problems did not arise only today. They have been building up over a long period. But there are also newly arising causes of the situation that has come about. The switch to full economic accountability objectively leads to growth in the population's monetary income, which for the time being is outstripping the growth in goods production. This is a specific feature of the present transitional stage of restructuring which must not be prolonged.

We realize that a real improvement in the situation, the easing of social tension, and the achievement of significant successes on the domestic market are possible only

under conditions of a radical improvement in the entire economic situation in the country. It must be realized that it will take several years to resolve this task. The scale of the problem is indicated by the fact that the population's unsatisfied demand, which has built up over the past three 5-year plans, has now reached tens of billions of rubles, and the USSR Government is submitting to this session a state budget with a large deficit. Nevertheless, the plan for next year outlines specific, intensive, and purposeful measures to improve the situation in the most complex sectors of the country's socioeconomic development.

Policy in the Sphere of the Population's Income and the Development of the Social Sphere [subhead]

The intensification of the restructuring of the country's economy in favor of the social sphere and the maneuvering of national economic resources envisaged by the plan will make it possible in 1989 to very substantially surpass practically all social development indicators compared both with the corresponding targets for 1988 and with the 5-year plan projections. The population's real incomes will increase 3.1 percent in 1989, against 2.7 percent according to the plan for 1988. Other indicators of the people's living standards are also increasing substantially.

Indicators of the Economy's Increasing Social Orientation

	1988 Plan	1989	
		According to 5-year plan	Plan
Average monthly wage of workers and employees, rubles	206.8	212	218.9
Percentage growth over previous year	103	102.9	105.8
Percentage growth over 1985	108.8	111.5	115.1
Average earnings of kolkhoz members, rubles per month	172.4	173.2	180.1
Percentage growth over previous year	106.5	103.3	104.5
Percentage growth over 1985	112.4	113	117.4
Social consumption funds, billion rubles	171	175	185
Percentage growth over previous year	106.5	104.5	108.2
Percentage growth over 1985	116.3	119	125.8
Total volume of retail commodity turnover—in all, billion rubles	363	379	385
Percentage growth over previous year	102.6	103.6	106.1
Percentage growth over 1985	109.8	114.6	116.4
Volume of sales of paid services to the population, billion rubles	63.1	62	68.2
Percentage growth over previous year	111.9	106.8	108.1
Percentage growth over 1985	140.2	137.8	151.6
Proportion of construction and installation work channeled into developing the social sphere's material and technical base in the total volume of construction and installation work in the national economy—percentages	45.9	39.8	47.1

Ultimately, the new principles of management are to bring about a situation where labor productivity growth considerably outstrips the growth of average monthly wages. Only in this way will we be able to overcome the imbalance in the internal market. This is why central control of this correlation will be intensified in the coming year. Wages are to be made up of means that have actually been earned by the labor collectives.

However, this does not mean that the state's social guarantees in the sphere of the population's incomes will be abolished. On the contrary, their role will increase in 1989. The implementation of centralized state measures to the value of R4.2 billion to improve living standards, as against R3.7 billion under the 5-year plan, is envisaged.

It is planned to use these means to continue to fund higher wages for health care and social service workers, and to introduce higher rates of pay and wages for professorial and teaching staff at higher educational

establishments and also for individual categories of cultural workers. The age limit up to which child allowances are paid to low-income families is to be raised. Extending the length of the partially paid maternity leave as far as the child's attaining the age of 18 months, improving the pensions of certain categories of workers, and implementing other measures is envisaged. As in previous years, previously issued internal state loan bonds are to be cashed in. Overall, the monetary incomes of the population will increase in comparison with the plan for 1988 by approximately 6.2 percent, as against 3.6 percent under the 5-year plan.

In order to balance these incomes with goods, retail turnover of state and cooperative trade has been set at R385 billion, which is R6 billion higher than the 5-year plan target for this year. The volume of paid services for the population is to total R68.2 billion, or R6.2 billion more than envisaged by the 5-year plan. Conditions are to be created in the coming year to reduce the accumulated imbalance between effective demand and supply and to alleviate commodity shortages.

In the 1989 plan special emphasis is being placed on the reinforcement of the material base of the sociocultural sphere.

Social Sphere Projects To Be Commissioned

	1988 plan	1989 5-year plan	1989 plan
Residential houses, million square meters total area	129.6	121.2	134.2
Preschool establishments, thousand places	897.6	963.6	985.83
General education schools, thousand pupil places	1618.9	1648	1708
Boarding schools for orphans, thousand places	2.1	—	5.6
Children's homes, thousand places	6.1	—	6.9
Outpatient polyclinics, thousand visits per shift	196.8	203	211.04
Hospitals, thousand beds	82.9	76.1	76.7
Homes for the aged and disabled, thousand places	17.8	19.8	19.2
Clubs, thousand places	370.8	493.9	494.6

It is important to stress that cardinal changes are taking place in the correlation between sources of finance for the housing program under conditions of enterprises' economic independence. The total area of housing commissioned via economic incentive funds will rise in comparison with the 1987 report by a factor of more than 6 and will amount to 47.1 million square meters, or more than 35 percent of the overall volume. In comparison with the 1988 plan this all adds up to an increase of almost 4 million square meters in the commissioning of housing using funds from housing construction cooperatives, the population's funds, and also state credit.

The housing construction plan for the current 5-year plan takes into account the task set by the 27th CPSU Congress of providing practically every Soviet family by the year 2000 with an individual apartment or house. Calculations show that this task is quite feasible. An overall total of approximately 385 million square meters of housing will have been constructed in the first 3 years of the 5-year plan. Taking into account the 1989 plan, this will make it possible to commission 650-655 million square meters of housing during the current 5-year plan, which is 100 million square meters more than in the last 5-year plan.

After the CPSU Central Committee Politburo examined the draft Concept for the Economic and Social Development of the USSR for the Period Through the Year 2005, additional potential was sought out for increasing the volume of housing construction and reconstruction in the 13th 5-Year Plan to 850 million square meters and in the 14th 5-Year Plan to 1 billion square meters, which fully accords with the programs for resolving the housing problem elaborated in the union republics and makes it possible for us to boost the population's average overall housing area to 19 square meters per person by the year 2000.

The 1989 plan has set intensive targets with regard to commissioning other facilities in the social sphere. The planned commissioning of preschool establishments will make it possible to raise the number of children attending such establishments to 18.4 million in 1989, and the percentage of children aged 1-6 years able to attend preschool establishments will rise to 61.8, as opposed to

the 59.7 percent expected in 1988. It is planned to speed up the pace at which the material base of public education and cultural establishments and the mass media is strengthened. The network of preventive medical establishments for children, pregnant women, and women in childbirth and of children's homes will be developed as a priority in public health care.

The Food Problem, Production of Goods for the Population, and Development of the Services Sphere Are the Main Priorities for 1989 [subhead]

In accordance with the decisions of the 19th all-union party conference and the CPSU Central Committee July (1988) Plenum, special attention was devoted during the elaboration of the 1989 draft plan to questions of consumer goods production and the development of the services sphere, and above all to resolving the food problem.

During the implementation of the Food Program, per capita consumption has increased as follows: from 58 to 64 kg for meat; from 300 to 341 kg for milk; from 43 to 55 kg for fruit; and from 9.5 to 10 kg for vegetable oil. Nevertheless, we all realize that this is not enough.

In the last 3 years agriculture fell short of 5-year plan targets for sales to the state to the tune of more than 40 million tonnes for grain, approximately 1.5 million tonnes for oilseed crops, and 20 million tonnes for sugar beets. The growth in average annual production of gross agricultural output in relation to the 11th 5-Year Plan will be approximately 9 percent, as opposed to the 11.5 percent envisaged under the 5-year plan. The country is still forced to import considerable quantities of individual types of food and grain in order to make good the shortfall in output.

The USSR Council of Ministers has elaborated additional measures to increase the production of food goods and improve supplies of them to the population in 1988-1990. The main reserve here must be a radical change in economic relations in the countryside and increased efficiency in using all resources. It is a question of broadly developing the lease contract, overcoming the peasant's alienation from the land, and transforming

him into a true and assiduous master. It is this, combined with the potential of scientific and technical progress and the intensification of agricultural production, that will make it possible in the next few years to meet the needs of the population and the economy via our own output.

In 1989 it is proposed to increase livestock deliveries by 1 million tonnes and milk deliveries by 2 million tonnes compared with 1988. The acceleration of the commissioning of poultry units that are under construction is an important direction; it will substantially improve the population's supply of poultry meat as early as next year.

Particular mention must be made of supplies of potatoes, fruit and vegetable produce, and baked goods and confectionery to the population. Here too, it is primarily a matter of efficiency in the work of local and republican organs. What possible explanation other than bad organization can there be for the poor supplies of fruit and vegetable produce to the population in the Central Asian and Transcaucasus republics. In 1987, for instance, [per capita] consumption of vegetables and cucurbits was only 93 kg in the Uzbek SSR, 89 kg in the Tajik SSR, and 67 kg in the Azerbaijan SSR, which is considerably below the all-union average figures. Up to one-third of the vegetables and fruits that have been grown still fail to reach consumers. Potato losses are even higher.

The 1989 plan pays serious attention to reducing losses of agricultural output everywhere. This work requires the strengthening of technological discipline, an expansion of the area sown to crops cultivated using intensive technologies, the more correct utilization of mineral fertilizers, the expansion of the construction of highways and storage facilities, and the commissioning of processing enterprises for the thorough processing of raw materials and produce. The resources have been allocated for this, comrade Deputies. It is a matter of efficiently organizing the work.

The food industry will produce more confectionery, more canned fruits and vegetables, and more of a whole series of other goods than envisaged in the 5-year plan. At the same time it still did not seem possible to reach the 5-year plan targets for the production of granulated sugar, vegetable oil, potato products, and quick-frozen products.

Implementation of the targets envisaged in the plan for developing the agro-industrial complex will make it possible to markedly improve the supply of food products to the population. Per capita meat consumption will increase by 2 kg compared with 1987, milk consumption will increase by 27 kg, and vegetable consumption will increase by 24 kg.

The 1989 plan envisages substantial growth in material and technical support for the agro-industrial complex. It is planned to further increase capital investments, primarily in the processing sectors. They will increase by 46

percent in the food industry and by 60 percent in the meat and dairy industry. In order to supply the necessary growth in the potential of the agro-industrial complex with capital investments despite the extremely limited investment resources, we took the extraordinary measure of channeling an extra R1.3 billion into this complex via resources reallocated from other sectors. Considerable resources are being channeled into land reclamation.

The major measures planned in the defense and machine-building complexes to build up production of the latest technological equipment for the agro-industrial complex—progress in their practical implementation was examined in detail at the USSR Council of Ministers session on 19 October this year—will make it possible as early as 1989 to organize the series production of another 200 or so types of equipment, which is 4.4 times more than will have been put in production in 1988. The total production of all technological equipment for processing sectors of the agro-industrial complex will increase by 25 percent next year. It will continue to increase in the future.

In 1989 agriculture will receive sufficient quantities of tractors, motor vehicles, other equipment, and mineral fertilizers. However, I would like to draw attention to the need to make proper use of equipment and fertilizers. The effectiveness of mineral fertilizers is declining and totals only 75 percent of the normative. Equipment idle time remains high, and much of it is for technical reasons. The quality of equipment repairs carried out by USSR Gosagroprom enterprises is low. As a rule, equipment has to be written off before its normative lifetime. The quality of manufacture of equipment supplied for the agro-industrial complex by industry is also growing impermissibly slowly.

The development of the agro-industrial complex is the central element of our economy. We have real possibilities of obtaining as much agricultural output as we need to fully satisfy the national economy's needs. To this end it is necessary to continue to step up the attention paid to creating favorable conditions for the work of rural working people and to implement measures to improve the economic mechanism and improve the management of this complex sphere of our economy. The decisions of the upcoming CPSU Central Committee plenum on problems of agriculture's development must be a major step in implementing these tasks.

In formulating the 1989 plan the USSR Gosplan proceeded from the need to achieve a real breakthrough in solving the problems of more fully satisfying the population's needs for consumer goods and services.

Overall, it is planned to increase consumer goods production by R21.2 billion in retail prices compared with the current year, R5.2 billion of this sum being food goods and R16 billion being nonfood goods. Production of all goods will exceed the 5-year plan targets for this year by R18.9 billion.

It is planned to increase the USSR Ministry of Light Industry's output by R2.3 billion compared with the current 5-year plan. It is envisaged that production of cotton and woolen fabrics, carpets and carpet goods, hosiery, and sewn goods industry output will be higher than the 5-year plan targets. It is planned to further expand and improve the range of output.

Soviet people are raising with great concern the question of supplying children, young people, and elderly people with goods. In addition to the inclusion of these goods in the state orders, economic measures are being taken to prevent the "erosion" of relatively cheap goods. It has been decided to establish wholesale price markups for children's goods. Similar proposals regarding other inexpensive goods are now being studied.

Major measures are being taken to accelerate the retooling of light industry enterprises. The ministries of the defense complex have put their best design efforts and 108 new enterprises into solving this problem. In 1989 it is planned to produce over 1,000 types of technological equipment for light industry, and over 10 percent of them will be fundamentally new equipment not previously manufactured. In subsequent years it is planned to develop, modernize, and start up series production of around 1,500 new types of progressive equipment for light industry.

Taking into account the major import deliveries from the socialist countries, the total equipment resources channeled into the large-scale retooling of light industry enterprises will increase by 30 percent in 1989 compared with 1988. This will require much intensive work by labor collectives in the sector, together with construction and installation workers, to install all the latest equipment as quickly as possible, assimilate it, and use this renewed technical base to build up the production of cheap and good-quality output in the necessary quantities.

Production of other nonfood goods by all industrial complexes will exceed the 5-year plan target by R8.6 billion. When it comes to consumer durables the biggest increases in 1989 are planned in production of color television sets, videocassette recorders, furniture, summerhouses, power units [motobloki] and power cultivators, and others.

At the same time ministries are still not paying due attention to renewing the range of new technically complex goods. It is hard to name any new goods (apart from videocassette recorders and personal computers) that our industry has assimilated in the last 3 years.

The population's complaints regarding the unsatisfactory supply of timber and construction materials are justified. The USSR Gosplan and USSR Gosstrib, despite great difficulties, are planning to increase deliveries of timber and construction materials for sale to the population in 1989 by 15 percent compared with the

current year's plan. Gasoline sales to owners of personal transportation will increase by 23 percent. At the same time it is important not to allow the aforementioned resources to be misused and used for other purposes. People's control organs must play their part here.

The growth rate in paid services has increased sharply of late. While in 1981-1985 the average annual growth rate was 5 percent, in 1987 it was 8.1 percent and in the first 9 months of the current year it has been 14.9 percent. Positive changes have also occurred in the structure of services. Services of high social significance connected with leisure, tourism, physical culture, and sport are developing at preferential rates. However, the population has still not felt any real improvement in this sphere although major steps in this direction have been taken. The volume of sales of paid services to the population will increase by 8.1 percent in 1989.

The volumes of consumer goods production, retail trade turnover, and paid services planned for 1989 will make it possible to improve supplies to the population. But because of the accumulated unsatisfied demand and the growth of money incomes, which is continuing to outstrip the 5-year plan projections, the difficulties in meeting the population's effective demand for goods and services may persist in 1989, albeit in smaller measure.

Under these conditions resolute measures are needed in all ministries and in each republic, oblast, and rayon to increase the production of goods. For the purposes of implementing these measures it has been decided to continue the line toward enlisting all enterprises for the production of goods and to include in the state order system—for mandatory fulfillment—the entire volume of production of nonfood consumer goods. This is a compulsory measure but in present conditions it is wholly justified socially.

An appreciable role in the solution of these tasks can and must be played by the cooperative system. The conditions for this have been created. It is important that the efforts of cooperative organizations be geared to increasing the mass of goods being produced and to enhancing their quality.

The local soviets of people's deputies must pay special attention to the radical improvement of the work of trade, public catering and consumer services for the population. The technical equipping of trade and public catering enterprises still does not meet modern requirements. The plan envisages the organization of the production of more than 30 types of fundamentally new equipment for a new kind of public catering enterprise—fast food enterprises. In all more than 400 types of production equipment will be produced for trade and public catering with a total increase of 16.5 percent in deliveries of such equipment in accordance with the state order system and with a substantial increase in subsequent years.

Improvement of the Ecological Situation in the Country
[subhead]

Permit me, Comrade Deputies, to dwell in particular on ecological issues. These problems have now become very acute and they are generating justified criticism from broad sections of the public and of the population. It must be said that a series of specific and objectively essential, albeit difficult, decisions have been adopted of late. It is a question of halting certain production units which are polluting the environment, of changing the profile of enterprises, and of building purification installations.

For these reasons the USSR Ministry of the Medical and Microbiological Industry alone was forced to reduce protein production by 140,000 tonnes. The USSR Ministry of the Timber Industry was prohibited from using capacities for the production of 231,000 tonnes of pulp and 32,000 tonnes of paper. These measures have had at the same time an impact on the volumes of production of certain types of output. We made these decisions with our eyes open but it was necessary to find ways of increasing production or finding substitutes for these products.

Thus the building of the Transbaykal apatite plant located in the Lake Baykal basin was curtailed, permission to locate a nitrogenous fertilizer plant in the settlement of Novaya Tambovka, Khabarovsk Kray, was refused, the plan to build the Kazan biochemical plant was turned down, the siting of the terrain for an organic products plant in the Tobol River basin was changed, agreement was withheld regarding the construction work which had been commenced for the expansion of the chloroprene rubber production facility at Yerevan's "Nairit" Science and Production Association, the route of the Yamal-West gas pipelines was altered, and the capacity of the Ignalina AES was restricted. The activity of the USSR Ministry of Land Reclamation and Water Resources is provoking an especially large amount of censure from the public. I can report that of late, out of 57 projects submitted by this ministry, 32 have been turned down, and as a rule this has been done out of ecological considerations.

At the same time one should avoid in this important matter rash decisions which are dictated not so much by the impossibility of ensuring the ecological purity of production units as by emotion. The solution of the problem must lie primarily in the refinement of technology and in the construction of purification installations, and not in refusing the setting up of any particular production facility that is essential for, among other things, solving social issues. It is precisely the technological perfection of production that makes it possible most effectively to solve problems regarding the prevention of the pollution of the environment.

That path has been adopted in the plan for 1989. More than R3 billion of capital investment will be channeled into the implementation of the whole package of nature conservation measures. Provision is made for building installations for rendering effluents harmless and for building water recycling systems. It is planned to commission major installations for the biological purification of effluents in the cities of Volgograd, Ryazan, Novosibirsk, Dnepropetrovsk, Tallinn, Magadan, Kemerovo, Krasnoyarsk, Kostroma, and others which will substantially improve the condition of water sources.

The discharge of noxious admixtures into the atmosphere of cities will be reduced by more than 2 million tonnes, that is, by a considerably greater degree than was envisaged for 1989 in the 5-year plan.

The plan envisages high targets for the recultivation of misused [narushennaya] land, a considerable proportion of which will be returned to agricultural production while the remainder will be used for the planting of forests and for the creation of tracts of water for fish farming.

The successful implementation of the nature conservation measures envisaged in the plan will depend to a considerable, or it could be said, a decisive degree, on the active, assertive policy of local soviets of people's deputies.

Thus the plan for 1989 charts a major program for the improvement of the ecological situation. But the cardinal solution of this problem, understandably, is a matter stretching over many years. In essence 1989 will see the start of the implementation of long-term nature conservation measures contained in the draft Concept of the Economic and Social Development of the Country Through the Year 2005. Here it is time that pure and applied science had its weighty say.

6. The Development of Sectors Ensuring the Material Basis of Social Production [main subhead]

Scientific and Technical Progress and the Development of Machine Building [subhead]

Comrade Deputies!

The plan for 1989 is geared to the maximal implementation of the fundamental proposition contained in the decisions of the 19th all-union party conference to the effect that the accelerated development of the national economy is impossible without the full utilization of the achievements of scientific and technical progress.

The plan targets are geared to resource saving, the preferential development of science-intensive sectors, the qualitative transformation of scientific and technical potential, and the enhancement of the effectiveness of its utilization.

On the basis of the further enhancement of the technical standard of production a saving in the expenditure of labor in industry will be achieved which will be equivalent to the release of 1,323,000 persons, or about 70 percent of the whole saving of labor resources in industrial production. Through the introduction of scientific and technical achievements, it is planned in 1989 to achieve a savings of R6.4 billion from the reduction of the prime cost of industrial output.

Considerable qualitative changes are planned primarily in the machine-building complex. The proportion of renewed output in the complex as a whole must be brought up to 10.8 percent as against 3.1 percent in 1985, while the proportion of machinery, equipment, and instruments that are automated using microprocessors is to be increased to 20.7 percent of the total volume of marketable output of the machine-building complex, which is 8.5 percent higher than the level of the current year. The plan envisages the assimilation of the production and delivery of 300 types of equipment and materials of new and very important kinds.

The execution of this work will be organized as a rule within the framework of the fulfillment of state scientific and technical programs. A good example might be the program in accordance with which it is planned in 1989 to increase by a factor of 2.5 the output of personal computers. We are embarking in practical terms on the large-scale production and application of personal computers and microprocessors in all spheres of activity.

In addition, we have set up jointly with foreign firms 10 enterprises for the assembly and manufacture of specialized personal computers, and for their software and technical servicing. Around 200 cooperatives are currently working on software development. Contract forms of the technical servicing of computer equipment and microprocessor systems for the control of manufacturing equipment are being widely disseminated. Thus, within the machine-building complex more than 60 percent of service agencies will be transferred to these forms of technical servicing over the 2 years.

The intersectorial scientific and technical complex [ISTC] represents the most progressive form of organization of work to create, manufacture, and introduce new technology.

Definite successes are clearly visible here. For instance, the "Nauchnyye pribory" ["Scientific Instruments"] ISTC is rapidly building up the production of unique and particularly complex instruments for scientific research. Their production is to reach R85 million in 1989. In 1989 the volume of state budget allocations per ISTC will total R302 million, a 77.6-percent increase. The construction and commissioning of 60 ISTC projects is envisaged.

At the same time, we cannot be satisfied with the work of many ISTC's. ISTC's such as "Antikor" under the USSR Ministry of Ferrous Metallurgy, "Tekhnologicheskiiye Lazery" ["Technological Lasers"] under the USSR Ministry of the Electrical Equipment Industry, and the USSR Academy of Sciences' "Personalnyye EVM" ["Personal Computers"] will in no way transcend the organizational period, and are delaying the assimilation and production of new-generation equipment.

Primary attention in the plan is being paid to the implementation of the tasks of the Comprehensive Program for the CEMA Countries' Scientific and Technical Progress. State budget allocations for this program will rise by 51.9 percent.

It is envisaged to make fuller use of our scientific and technical potential primarily by strengthening the testing and experimental base of the scientific organizations and broadening the new management methods in science. State budget means allocated to the development of fundamental research in the USSR Academy of Sciences and the science academies of the union republics will increase by 32.3 percent.

Machine building represents the basis for raising the technical standard of social production. The rate of growth of machine-building complex output in 1989 will exceed the growth rate of industry as a whole by 50 percent. The trend toward the preferential growth of the output of machine building's priority sectors—machine tool building, instrument making, electrical engineering—will be intensified. The output growth rates for these sectors will be 50 percent higher than for machine building as a whole, with the figure for the USSR Ministry of Instrument Making, Automation Equipment, and Control Systems being 160 percent and that for the USSR Ministry of Machine Tool and Tool Building Industry being 60 percent.

It is intended to accomplish the accelerated development of the complex primarily on a qualitative basis, by shaping progressive shifts in the structure of the machine-building complex and in the production of individual types of output, and not by building up the overall volumes of production.

The basis of the plan for the machine-building complex is 44 priority areas of scientific and technical progress embracing all the national economic complexes and providing for the delivery of the most progressive types of equipment. The priority area for the petroleum-refining industry is the manufacture of installations for the in-depth processing of petroleum; for ferrous metallurgy—machinery for the continuous billet casting; for agriculture—complexes of high-productivity machinery for progressive technologies.

For the social complex, some 30 targets have been included in the state order, including targets for the production of those types of medical equipment in

shortest supply (electrostimulators, heart valves, therapeutic decompression chambers, aerotherapeutic devices, computerized tomography equipment, and so on).

New forms of the management of science and production are being created—such as, for example, intersectorial state associations like Leningrad City's "Energomash" and "Tekhnokhim" and Moscow City's "Elektropribor," where all the enterprises joining these associations shed their ministry subordination and independently resolve the entire range of practical issues of the development of scientific research work and the swiftest introduction of its results into production. Under this setup they will bear full responsibility for satisfying the national economy's requirements for the output being manufactured.

Great opportunities for the accelerated renewal of output and the enhancement of its quality are being opened up by the transition of one of the country's largest associations, the Sumy Machine-Building Science-and-Production Association named for Frunze, to the second model of economic accountability, including elements of lease relations with the state. The practical experience of this association's work in such qualitatively new management conditions will be utilized in machine building and other sectors of industry.

I should emphasize particularly that the provision of equipment for the national economic sectors requires not only the development of machine building but also the incorporation in work of the residual uninstalled equipment. For a long time we have failed to resolve this problem satisfactorily. The value of the residual uninstalled equipment across the national economy as a whole will rise by 2.9 percent in 1988 and total R14.2 billion. The planned incorporation of uninstalled equipment in economic circulation is not being met.

The state of affairs regarding the reduction of residual uninstalled equipment is particularly unfavorable in the metallurgical, chemical and timber, and machine-building complexes.

In the 1989 plan Gosplan has provided for measures to surmount the prevailing situation. The value of residual uninstalled equipment is to fall by R1.3 billion.

Development of the Fuel and Raw Material Sectors [subhead]

When determining for 1989 the priorities for consumer goods production and the development of machine building and the social sphere, we absolutely must not forget about constantly strengthening the base sectors of industry which provide the national economy with fuel and raw materials. To a considerable extent they ensure a balanced economy, its continuous functioning, and our foreign economic status.

A characteristic feature of the present stage of the Soviet economy's development which has manifested itself in the 12th 5-Year Plan is the more stable growth of the fuel and raw material sectors than in the past. The plan for 1989 consolidates this positive trend.

Overall Production of the Most Important Types of Products in the Plans of Enterprises and Associations in the Fuel and Raw Material Sectors [table heading]

[Columns in the following table show: column A—unit of measurement; column B—1988 according to enterprise plans; column C—1989: 5-year plan; column D—1989 according to enterprise plans; column E—1989 as percentage of 1988. Asterisks denote: "Counting the volumes agreed with labor collectives in excess of the 5-year plan"]

	A	B	C	D	E
Extraction of oil with gas condensate	million tonnes	625.8*	623.6	631.6*	100.9
Extraction of natural gas	billion cubic meters	767*	800	820*	106.9
Coal extraction	million tonnes	769.6*	766	782*	101.6
Finished rolled ferrous metals (including stock for export)	—	115.9*	116.5	117.3*	101.2
Mineral fertilizers (in 100-percent nutrient equivalent)	—	37.1	38.6	38.2	102.9
Chemical fibers and yarns	thousand tonnes	1530	1647	1550	101.3
Synthetic resins and plastics	—	5876	6344	5957	101.4
Commercial timber	million cubic meters	291.4	294.6	294.6	101.1
Paper	thousand tonnes	6574	6872	6617.3	100.7
Cement	million tonnes	139	138.5	141.5	101.8

At the same time, in each of these sectors there is still a number of complex problems which necessitated new approaches to the formation of the draft plan for 1989.

The country's fuel and energy balance had to be substantially revised in connection with the refinement of the nuclear energy development program and the change in

the conditions of sale of oil and petroleum products on the world market. The influence of these two factors on the development of the fuel and energy complex is extremely great.

The work being done to reconstruct existing AES power units in order to ensure their safety has objectively led to

a substantial reduction in nuclear power generation compared with the 5-year plan, although it remains a priority. In the plan for 1989 it has been possible to compensate for this loss by increasing electricity generation at thermal power stations. But this requires an extra 36 million tonnes of conventional organic fuel. Another factor is the continuing fall in prices on the world oil and petroleum products market. Additional fuel extraction was needed in order not to upset the foreign trade balance.

So, for 1989 it was essential to find fuel resources over and above the targets of the 5-year plan that were almost equal to their 2-year increase. And we hope that these extremely difficult tasks will be within the capabilities of the fuel and power complex.

Eight million tonnes of petroleum, 20 billion cubic meters of gas, and 16 million tonnes of coal must be produced above the 5-year plan. Labor collectives which have taken upon themselves this above-plan extraction will receive additional incentives from centralized sources.

It should be noted in particular that for all the tightness of the country's fuel balance in 1989, the fuel and power complex, to a substantially greater degree than before, is geared to satisfying the people's needs. Fourteen million tonnes of standard fuel over and above the 5-year plan is being allocated to provide for the population and to cover municipal and consumer needs, and this includes an 11-million-tonne increase of market stocks of coal.

The plan projections for 1989 for most types of output from the metallurgical complex are higher than the 5-year plan targets. USSR Ministry of Ferrous Metallurgy enterprises have agreed to produce 756,000 tonnes of rolled metal additional to the 5-year plan targets. But the main concern in the metallurgical complex is the preferential output of economic types of metal products. The growth of their output will amount to between 7 and 23 percent according to the particular types. For 1989 alone this will yield a savings of about 1.3 million tonnes of ferrous metals, while the entire annual increase in rolled metal production will amount to a total of 1.7 million tonnes.

In nonferrous metallurgy a faster growth of output of light and alloyed nonferrous metals is envisaged.

Thus, the process of restructuring in metallurgy is under way, but it is still slow. The program for retooling the sector is not being fulfilled. This, in particular, relates to the problem of introducing continuous billet casting. In the current 5-year plan, because of the lag in construction and the late delivery of equipment by the machine-building complex the commissioning of 16 machines for continuous billet casting has found itself under threat of disruption, which will entail overexpenditure of 1.5 million tonnes of steel. The lag which has emerged

cannot be overcome in 1 year. But the essential capital investments have been allocated when drawing up the plan for 1989 so as to resolve this and a number of other problems.

In 1989 it is planned to further develop the sectors of the chemical and timber complex, particularly the chemical and petrochemical industry. In this complex many problems have accumulated, connected mainly with disruptions to the schedule for commissioning production capacities, the ministries' unsatisfactory work to utilize the potential created, and the exacerbated ecological situation. The acuteness of the ecological problems is now most seriously affecting precisely this complex.

The plan for 1989 partially, though not completely, overcomes this lag.

Thus, the proportion of phosphate fertilizers, including powdered phosphate rock, in the overall volume of mineral fertilizers will increase from 27 percent in 1988 to 28.3 percent in 1989. The delivery of mineral fertilizers to agriculture amounting to 28.5 million tonnes, including 10.3 million tonnes of phosphates, is envisaged. We are approaching the optimum ratio of nutrients in fertilizers.

The overall output of chemical fibers and threads is set at a level lower than the 5-year plan targets. This is connected with the intolerable lag in commissioning capacities of the Kiev and Grodno "Khimvolokno" production associations and other facilities. The same situation is taking shape as regards polymer materials, which does not make it possible to fully resolve the problem of producing packaging materials for the agro-industrial complex and linoleum for housing construction needs.

It is envisaged that production units ensuring the more complete use of felled timber and increasing the output of effective commercial timber substitutes based primarily on the use of low-quality timber and waste products will be developed as a priority in the timber, pulp and paper, and wood processing industries. There will be a 7 percent increase in furniture production accompanied by an improvement in quality and an 11 percent increase in the production of disposable paper products.

It must be particularly stressed that resource saving is the main factor guaranteeing material balance in the 1989 plan. It is by this means that it is planned to cover the increase in the demand for metallurgical output and timber materials by 100 percent and for cement and fuel and energy resources by 70 percent.

I must be blunt and say that many complaints regarding the plan's material balance stem from the refusal of certain ministries' leaders to accept such an intensive resource-saving program. But our economy will be unable to develop otherwise. That is why attention

should be switched from requests for additional resources to proposals concerning scientific and technical progress and resource-saving.

Development of Transport and Communications [subhead]

The development of transport is designed to meet the transportation needs of the population and the economy in a fuller, more qualitative, and more timely fashion both throughout the country as a whole and in its individual regions. A 2.6 percent increase in the volume of goods shipments by all types of transport is planned. This accords with the economy's transportation requirements.

Particular attention is being focused on increasing the volume and boosting the quality of passenger transport. There are plans to increase the volume of passenger traffic by air transport—the most popular form of long-haul transport—by 5.5 percent. This is almost twice the average passenger turnover growth level for all types of transport. An above-average—4 percent—increase in railroad passenger turnover is also planned. However, I must say that during the peak summer period there are still difficulties with passenger transport. Obsolete passenger cars will have to be used during this period in order to overcome these difficulties and this will necessitate that the USSR Ministry of Railways considerably improve maintenance of the passenger carriage fleet.

At the same time the acuteness of the problem of passenger transport can be considerably alleviated by improving the technology of transport operations, making more intensive use of rolling stock and aircraft, by rational expenditure of fuel and electricity, by increasing the regularity of air travel, and by enhancing air and railroad safety. Critical press articles on this topic by transport workers must be taken into consideration.

The development of communications is basically aimed at resolving the tasks of providing the population with telephones and multichannel television and speeding up delivery of newspapers and journals. By the end of 1989 there will be 27 telephones in apartments per 100 families as opposed to the 25.5 as per the 5-year plan. Some 90 percent of the population will be able to receive two television channels.

Capital Construction [subhead]

The 1989 plan for capital construction has been drawn up on the basis of the decisions of the 27th CPSU Congress and the 19th all-union party conference which defined the main directions of investment structure policy. Here the need for the accelerated resolution of priority problems—the food problem, consumer goods production and the provision of services, the development of the social sphere, and others—demanded a change in the structure of distribution of capital investments envisaged for this year by the 5-year plan.

The total volume of capital investments from all sources of finance has been set at R206.8 billion, including R182.7 billion from the state. Compared with the plan for 1988, state capital investments will increase 2.1 percent, and construction and installation work will increase 1.3 percent.

With a view to implementing in practice an increase in the economy's social orientation, R59.3 billion is being allocated to the development of the nonproduction sphere—which is R4.1 billion or 7.4 percent more than in 1988. The volume of capital investments in this sphere will increase by R11 billion, or 22.7 percent, compared with the 5-year plan. In all, approximately R26 billion of capital investments will have been channeled from production construction into development of the nonproduction sphere during the first 4 years of the current 5-year plan.

The planned increase in the share of capital investments in the development of the sociocultural sphere required a particularly careful, differentiated approach to the selection of priorities in the distribution of capital investments for the development of production sectors. On the whole, state production capital investments remain at roughly the 1988 level. Under these conditions capital investments in sectors connected with the introduction of scientific and technical progress, the production of consumer goods, and the processing and storage of agricultural output are being increased.

In 1989 all enterprises in the sphere of physical production will operate on self-financing principles. This will enable them to carry out in full not only simple but also, to a considerable degree, expanded reproduction of fixed capital and to resolve questions of social development independently. Capital investments made by enterprises and associations out of their own funds have been taken into account as current [raschetnyy] investments to the tune of R86.1 billion. At the same time this imposes a grave responsibility on leaders of enterprises, associations, ministries, departments, and local organs for the efficient utilization of their resources.

The plan provides for a 4.7-percent increase in the commissioning of fixed capital using state capital investments, that is, [it will increase] considerably faster than the growth in capital investments. This makes it possible to somewhat improve the state of affairs regarding uncompleted construction.

An important point is that the commissioning program for the coming year, which took shape chiefly at local level under conditions of the right accorded to enterprises, organizations, and local organs independently to resolve questions of the development of production and the social sphere, has been fully backed up with capital investments. At the same time, we have mothballed many projects.

The volume of contract work in the national economy as a whole in 1989 will increase 1.7 percent compared with the 1988 plan. The volumes of contract work for the all-union construction ministries have been set practically at the level of the 5-year plan. At the same time, construction organizations have been granted the opportunity to form 25-30 percent of their production program independently on the basis of direct contract relations with clients.

The plan devotes special attention to enterprises' proposals for carrying out construction by the own-resources method using the funds which they themselves have earned.

The plan provides for increased production of construction materials. Production of cement will increase by 2.4 million tonnes, linoleum by 23.2 million square meters, and slate by 255 million standard tiles. The proportion of progressive materials—light metal structures and modules—is increasing.

It has to be said that capital construction is a sphere in which the economic mechanism is not yet producing the necessary results. It still does not prompt all participants in the investment process to save resources, concentrate funds on projects scheduled for commissioning, and reduce volumes of uncompleted construction. Construction of nonpriority projects is continuing, as well as construction using obsolete plans. Administrative methods still have to be used sometimes to overcome these negative trends.

7. Foreign Economic Ties [main subhead]

Work on the plan for foreign economic ties in 1989 was very complex. It was necessary to find means to neutralize a series of objective difficulties which are holding back the development of foreign trade turnover and determining the status of foreign currency settlements with individual countries.

Declining world market prices for oil and oil products, the basic commodities in Soviet exports, the further increase in the prices of some commodities imported by the USSR, the reduced foreign currency payments by developing countries in repayment of credits granted to them in the past, and adverse balances in settlements with some CEMA countries—these are the problems we encountered. It must be said that not all of these reasons could have been foreseen earlier in the 5-year plan, and this necessitated amendments to some of its parts.

As a result of the aforementioned reasons, 1989 will see a 2-percent reduction in foreign trade turnover compared with this year's plan, with exports declining by 2.1 percent and imports by 1.8 percent.

In view of the considerably reduced foreign currency revenues, the compilation of the plan for commodity imports, especially imports payable in freely convertible

currency, was very difficult. Import policy was oriented primarily toward ensuring the national economy's supplies of advanced technology up to world standards and of raw and other materials in short supply, as well as toward fulfilling the basic tasks of the country's social development—primarily supplies of foodstuffs, medicines, and manufactured consumer goods for the population.

Priority in the USSR's foreign economic ties is given to cooperation with socialist countries, primarily the CEMA countries. The volume of commodity turnover with socialist countries will maintain its traditionally preferential proportion and will amount to 66 percent of the total volume of the USSR's trade with foreign countries.

In today's complex conditions for engaging in foreign economic activity, special importance is attached to the reform of the management of foreign economic ties which is currently under way and is aimed at bringing the production link—enterprises, associations, and organizations—closer to the foreign market. This ought to assist in expanding the USSR's foreign economic cooperation with foreign countries and to enhance its efficiency.

8. Economic and Social Development of the Union Republics [main subhead]

Comrade Deputies!

The plans for the economic and social development of the union republics submitted for your examination have been formulated on the basis of new principles ensuring an enhancement of the role and responsibility of union republic councils of ministers and local soviets for the comprehensive development of their territories. These plans were compiled by union republic councils of ministers with the participation of USSR ministries and departments and the enterprises, associations, and organizations located on the republics' territories, and in conformity with the USSR Law on the State Enterprise (Association).

The basic indicators of the 1989 plans for most union republics on the whole correspond with, and in several cases exceed, the 5-year-plan targets for this year. At the same time, some general economic indicators in some union republics still lag behind the 5-year plan's pace.

Growth of produced national income by union republics in 1989 (in percentages)

	In terms of the 1988 plan	In terms of 1985 5-year plan	1989 plan
RSFSR	103.8	118.1	117.4
Ukrainian SSR	103.8	115.4	115.4

Belorussian SSR	105.1	119.9	122.2
Uzbek SSR	106.1	120.4	112.8
Kazakh SSR	103.8	115.9	112.7
Georgian SSR	105.0	115.9	115.0
Azerbaijan SSR	104.3	117.8	118.1
Lithuanian SSR	105.5	116.1	118.7
Moldavian SSR	103.9	118.9	119.5
Latvian SSR	104.2	116.7	117.8
Kirghiz SSR	104.1	115.3	115.6
Tajik SSR	104.8	117.0	117.5
Armenian SSR	106.2	118.5	118.9
Turkmen SSR	104.7	116.7	116.7
Estonian SSR	103.0	112.5	112.6

The RSFSR, the Kazakh SSR, and the Georgian SSR failed to achieve the growth rates for produced national income set by the 5-year plan. The economic situation in the Uzbek SSR remains tight owing to the lag in the republic's national economic development which was allowed to build up in previous years. The production of gross crop farming output in the Azerbaijan SSR is planned on a smaller scale owing to the reprofiling of viticulture. The retail trade turnover indicators set for 1989 do not yet ensure that the 5-year-plan targets for that year will be met by the Uzbek SSR.

At the same time the main point, namely the orientation of plans toward the solution of social problems, is maintained in the draft plans for all republics. All proportions and positive structural developments planned for 1989 in the republics' national economy complexes are subordinated to this goal.

Special mention must be made of the fact that significant improvement is required in the mechanism for the management of economic development in the union republics and in the country's major territories such as the Far East Economic Region, the Buryat ASSR and Chita Oblast, the RSFSR Non-Chernozem Zone, Krasnoyarsk Kray, the Kola peninsula, and others. The large number of targeted comprehensive programs for the development of individual territories now being elaborated do not accord with the economy's potential and the system of national economic management.

A growing role in overcoming these negative trends must be played by the wide dissemination of the principles of territorial economic accountability. At present we are about to complete the preparation of documents regulating the shaping of a new economic mechanism for the management of regional economies. The creation of this mechanism must become one of the basic and most fundamental elements of the radical economic reform.

Comrade Deputies!

The year 1989 occupies a special position in the Soviet economy's development. The completion of enterprises' transition to full economic accountability and self-financing in 1989 prepares the ground for shaping an integrated economic management system in 1990. The national economy's development in 1989 will decisively determine the potential of economic growth in 1990, and therefore the fulfillment of the 5-year plan as a whole and the laying of a firm basis for the 13th 5-Year Plan.

It is well known that the formulation of the plan is just the start of planning. The main point is to organize the plan's fulfillment. And here we must bring into full play the economic methods, the new economic mechanism, whose purpose is to organically combine collective and statewide interests, to make every worker vitally interested in the fate of his work, in the enhancement of production efficiency, in the introduction of scientific and technical progress.

Comrade Deputies!

The examination of the 1989 plan coincides with the nationwide discussion of the reform of the system of organs of state power. The full power of soviets at all levels, coupled with the initiative of labor collectives, will impart a mighty impetus to the restructuring of all aspects of the life of Soviet society.

Gostev Reports on State Budget

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[Report by Deputy B.I. Gostev, USSR minister of finance, delivered at the 27 October morning joint session of the USSR Supreme Soviet of the Union and Soviet of Nationalities: "On the USSR State Budget for 1989 and the Implementation of the USSR State Budget for 1987"]

[Text] Esteemed Comrade Deputies! The decisions of the CPSU Central Committee September (1988) Plenum and the extraordinary USSR Supreme Soviet session were an important stage in the implementation of the directives of the 19th all-union party conference for the further deepening of restructuring, the reform of the political system, and the enhancement of the role of the soviets as organs of genuine people's power.

The USSR Council of Ministers submits for your examination the draft USSR State Budget for 1989. The draft budget has been comprehensively discussed in the plan and budget and other standing commissions of the Soviet of the Union and the Soviet of Nationalities. Comments and proposals made by deputies are reflected in the corresponding sections of the budget.

Under modern conditions the role of finances as an effective instrument of the economic strategy of the party and state is growing, and their impact on the

acceleration of the country's socioeconomic development and the achievement of high end results with reduced expenditure is increasing.

The budget has been drawn up on the basis of the demands for a fundamentally new financial policy and a move toward giving the economy a social thrust; it ensures the concentration of resources on the implementation of progressive structural improvements and creates the conditions for completing the transfer of all components of social production to complete economic accountability [khozyaystvenny raschet]. The line of enhancing the finance and credit system and improving finances and the money supply is being consistently implemented.

The Country's Financial Position and Features of the 1989 Budget [subhead]

The elaboration of the budget was preceded by an in-depth analysis of the financial position. It was necessary to objectively evaluate the situation and correctly construct our practical work for the future.

For many years state spending has outstripped income. This imbalance worsened sharply at the end of the last 5-year plan in connection with the slowing of economic development rates. Sector finances and the state budget were in a difficult position, credit became deformed, and the money supply situation deteriorated. The population's income growth exceeded the ability to meet its demand, which led to the economically unjustified printing of money and inflationary processes.

Apart from problems rooted deep in the past, the financial position was affected by a number of new factors. The most tangible was the loss of income owing to the sharp fall in world oil prices, which has cost the budget almost R40 billion since the start of the 12th 5-Year Plan. Production and sales of wines and liquor were often set by local organs below the levels stipulated by the relevant decisions. Turnover tax losses owing to the nonadoption, as a rule, of measures to compensate for falling income amounted to more than R36 billion.

It should also be borne in mind that life does not stand still. In order to rectify the extremely acute situation in the social sphere—particularly in health care, education, and housing construction—appropriations were increased by more than R18 billion over and above the 5-year plan.

There were other urgent needs too, of course. It cost more than R8 billion to eliminate the consequences of the Chernobyl accident.

In the prevailing situation the problem of financial amelioration and the strengthening of the money supply is becoming one of the central tasks for the radical economic reform. Under its influence many labor collectives, individual sectors, and soviets have achieved good

results in reducing spending and increasing profitability. Growth rates for profits—the main source of monetary accumulations—have increased markedly on the whole. Average annual profits in the current 5-year plan have increased by 8 percent, to a considerable extent through reductions in prime cost. We can conclude that the process of strengthening the finances of the main component of social production—enterprises, construction projects, kolkhozes, and sovkhozes—has begun.

The plan for payments out of profits, turnover tax, and other income will be overfulfilled in 1988. However, not everything that was planned has been accomplished. Thus, we had counted on mobilizing during the course of the budget's implementation around R25 billion through efficiency gains, but we will obtain only R10 billion. According to preliminary estimates, the budget will be fulfilled 96.3 percent in terms of income.

At the same time, expenditure approaches are still having an effect. Budget spending continues to grow too fast, exceeding planned spending by 2.5 percent. Funds had to be borrowed from the USSR Gosbank in order to balance the budget.

To sum up, the state of finances remains complex and, naturally, is leaving its mark on the shaping of next year's budget. Permit me to dwell on the features of it.

Above all, the budget reflects the qualitative improvements in economic relations produced by the democratization of management and the completion of enterprises' transfer to economic accountability and self-financing. The principle that funds should be internally generated is being implemented more fully, which makes it possible to strengthen the financial base of enterprises and sectors.

An important feature is the intensification of the budget's social thrust and the concentration of financial resources on the resolution of urgent problems of the people's prosperity. The progressive changes in the structure of social production and the preferential development of the entire sphere involved with Soviet people's needs and requirements should be the material basis for this strategic thrust. Considerable additional funds over and above the 5-year plan figures are being invested in this area. Priority is being given to health care, education, housing construction, consumer goods production, and services.

Budget financing is focused on the decisive avenues of scientific and technical progress, which are expected to bring into play long-term factors of economic growth and active resource-saving.

Furthermore, the line is being pursued of enhancing the economic interest and responsibility of union republics and soviets for ensuring the self-financing of production and the social development of their territories.

Finally, a lower amount of monetary accumulations will be obtained than was planned because the elaboration of the budget was carried out on the basis of the plan economic and social development indicators for 1989, whereas national income growth rates are turning out to be somewhat lower than the 5-year plan targets.

In the actual economic and financial situation the 1989 budget has been drawn up as follows. Income has been determined at R458.4 billion, with a growth of 3.3 percent against the level set for this year by the USSR Supreme Soviet. It has not proved possible at this stage to overcome the tendency for spending to increase more rapidly. Spending will grow by 11.5 percent and total R494.7 billion. This results in a R36.3 billion shortfall in financial resources, or 7.3 percent of the total budget.

It must be said quite frankly that the budget deficit is not a problem that has just emerged today but is the consequence of economic imbalances, high levels of subsidy, and enormous losses—all brought about by extensive economic management methods, parasitism, and passive financial policy.

Income growth, despite the measures being taken to intensify production, is currently inadequate and lags behind growing demand. The crux of the matter is that the achievements of scientific and technical progress are being introduced too slowly and the new economic mechanism is not yet producing full financial returns.

At the same time, the state has been forced to undertake high spending on investment in the material sphere and urgent social and ecological programs, and to maintain the country's defense capability at the proper level. A great deal of this spending cannot be set aside or restricted overnight. At the same time, a reliable range of measures to combat the not-always-justified growth in state spending has not yet been found.

In short, comrades, pressure on centralized resources continues, despite the expansion of lower-level components' economic independence. It will be necessary to bring economic management methods comprehensively into play in order to put a stop to parasitism once and for all. And finally, business initiative, enterprise, and the restructuring of cadres' economic thinking are extremely important. Sometimes we work in such a way that many major reserves are simply not exploited. Take nonproductive expenditure and losses. They amount to more than R24 billion for the national economy as a whole. To bring these reserves into play we do not need large additional investment, but just one thing—an economic and careful attitude to the people's assets. This too is sometimes in "short supply."

Overcoming the budget imbalance is being assigned prime importance in current conditions and will help to strengthen finances.

The center of gravity is being shifted to the sphere of practical activity. A great deal is to be done in the course of the fulfillment of the plan and budget for the coming year.

The government has instructed central economic departments, together with union republic councils of ministers and sectorial ministries, to implement in 1989-1990 priority measures to identify new sources of income and establish strict economy in the expenditure of state resources. These measures are an integral part of the effort to improve the national economy finances and eliminate the budget deficit.

It is a question of eliminating low-return expenditure and putting an end to the dissipation of resources. Economy measures are being extended to all zones and spheres of activity. Neither departmental ambitions nor localistic interests can take precedence here.

It is possible to establish order in the budget through the joint efforts of soviet and economic organs with the committed participation of enterprises and labor collectives. Correlating income and expenditure everywhere and in everything and learning to live within one's means available must become the rule.

State Budget Revenue [subhead]

Allow me to move on to a more detailed description of the draft budget. The volume of revenues and their structure is evident from the following data:

	Total in billion rubles	Proportion in percentages
Total revenue of which:	458.4	100
I. Receipts from the national economy	355.6	77.6
including:		
payments from profits	121.2	26.4
turnover tax	104.1	22.7
revenue from foreign economic activity	60.0	13.1
deductions for social insurance	31.4	6.8
II. Taxes and receipts from the population	39.4	8.6
III. Resources of the statewide loan fund	63.4	13.8

More than three-fourths of the budget resources are accounted for by receipts from the national economy because it is here, in the sphere of material production, that the main sources of the strengthening of the state's revenue base are located.

The switch of enterprises to complete economic accountability has made it necessary to fundamentally change the approach to the distribution of profit (revenue).

With the switch to the normative method, the share of profit which enterprises are allowed to keep will total 51 percent in 1989 against 43 percent prior to the switch to the new conditions of work. As a result, if profits increase by 6 percent, payments from profit into the budget will remain at the level of the current year, totaling R121.2 billion. This reflects the real reinforcement of the positions of economic accountability.

It must be admitted that in order to resolve pressing problems of the economy and of the social sphere, budget revenue from profits should be greater. However this is not always ensured and is largely due to the fact that incentives for the maximum utilization of reserves for the growth of monetary accumulations operate only feebly. In the current year the total profit under enterprise plans was R5.3 billion below the estimate [raschetnaya]. Divergences were allowed to occur in the machine-building and chemical and timber complexes and in economic units under the jurisdiction of union republic councils of ministers. We have encountered this also during the elaboration of the plan for the coming year.

The question arises: What should we do? A return to the methods when enterprises' funds were arbitrarily taken away from them is not possible. Therefore it is necessary to try to find, in cooperation with labor collectives, new approaches to increasing the overall volume of profit, and consequently also payments into the budget. This must, without fail, be achieved in the course of the economic reform.

The state of fiscal discipline is causing serious concern. This discipline must be resolutely reinforced. In the first 9 months of the current year 23 ministries failed to pay R1.8 billion from profits into the budget. One in five enterprises in industry and construction fails to fulfill the plan for profits. This represents multibillion losses for the national economy.

Now about **turnover tax**. It is important to emphasize that the downward slide in the size of this payment has been halted; it is to total R104.1 billion.

At the same time, realistic opportunities exist for its further growth on account of the increased production of textiles, footwear, radio and television sets, refrigerators, and other goods which are in demand among the population.

The expansion of the production of consumer goods is being held up through the fact that at so-called nonspecialist enterprises they are frequently being produced at a loss. So for instance, the "Dzhezkazgantsvetmet" Science-and-Production Association of the USSR Ministry of Nonferrous Metallurgy and the USSR Ministry of Ferrous Metallurgy Azerbaijan Pipe Rolling Plant are producing individual types of goods whose prime cost is 50-100 percent higher than the retail price.

It is necessary to overcome the attitude to turnover tax as a purely fiscal form of payment and make it a full-fledged element of the economic methods of management. As of next year it will be permitted to use up to 30 percent of the increase in turnover tax as incentives to labor collectives for the increased production of light industry goods and also for the establishment of specialized capacities for the production of consumer goods at nonspecialist enterprises.

The stability of the budget revenue base will also depend largely on the effectiveness of **foreign economic relations**. It is planned to obtain R60 billion from this sphere.

As has already been pointed out, the receipts from foreign trade have been decreasing in recent years. This trend must be countered with the new model of foreign economic relations which is geared to the restructuring of the structure of exports, an increased share in them of the processing sectors of industry, and the enhancement on this basis of returns in foreign currency.

Our strategic line is the increasingly active involvement of the national economic complex in the international division of labor, and above all the all-around development of socialist economic integration with CEMA countries, the formation of an integrated socialist market, and expanded participation in international financial organizations.

The restructuring of the system of management of foreign economic relations must start producing returns. At the present time most ministries and departments, all the union republics, and more than 100 associations, enterprises, and organizations have been given the right to directly enter the foreign market. In 1989 around R2 billion will be channeled into enterprise foreign currency funds. In cooperation with foreign companies 109 joint enterprises have been set up.

The improvement of the mechanism of foreign economic relations is to be facilitated by work to define the exchange rate of the Soviet ruble in respect to foreign currencies proceeding from the task of gradually ensuring its convertibility.

I will dwell briefly on other items of budget revenue. They consist mainly of **receipts from the population** which have remained at a stable level for a long time.

I would like to draw your attention to the fact that the union republics and the soviets of people's deputies are not displaying due activeness in seeking new ways to enlist the population's means. There is extensive scope here for reinforcing their own financial base. New forms of lotteries with prizes of money and goods, voluntary types of insurance, self-taxation, auctions, the issue of bonds targeted specifically to meet local needs, and the

development of the cooperative movement, with appropriate controls, must play a role of considerable significance here. Such measures must be implemented on a democratic basis.

In conclusion I must say that **loan fund** resources are still being used on a temporary borrowing basis to finance targeted statewide programs. This presupposes accelerating the positive process of releasing money resources that have been diverted into superfluous stocks and credits. Using various kinds of loans to finance state expenditure is a widespread world financial practice. Of course, it is only permissible within economically substantiated limits since it involves an increase in the state debt. The procedure whereby loan funds are used to maximum effect on a returnable basis and ultimately help achieve overall material and financial balance in the economy must be strictly observed.

The main avenue for the use of loan funds is credits for the national economy. In 1989 more than R400 billion of credit resources will be channeled into national economic sectors, one-fourth of them into long-term investments. It is important to boost the effectiveness of the use of credit and step up its influence on production. The proportion of enterprises' funds and banks' own capital in the loan fund must be increased. These objective opportunities are created by the new economic mechanism. Banks must step up their work to organize economically accountable relations in the economy and to elaborate and implement an effective investment policy.

State Budget Expenditure [subhead]

Comrade Deputies! With the transition of material production sectors to self-financing, USSR State Budget expenditure is concentrated on speeding up social development, on resolving the food problem, on building up a modern industrial and scientific and technical potential, on structurally restructuring the economy, and on other statewide requirements.

Budget expenditure for 1989 is as follows:

	Sum in Billions of Rubles	Proportion as Percentage
Total expenditure	494.7	100
Sociocultural measures	163.5	33.1
including:		
scientific research	21.5	4.3
Targeted budget subsidies for food and other social needs	103.0	20.8
Centralized financing of the expenditure of sectors of the national economy	172.7	34.9

Expenditure linked with foreign economic activity	28.6	5.8
Ensuring defense capability	20.2	4.1
State management	3.0	0.6
Reserve funds of financial resources	3.7	0.7

The budget's social thrust is shown by the fact that approximately two-thirds of its expenditure is directly linked with resolving urgent problems of national well-being.

Expenditure on **sociocultural** measures has been fixed at a total of R163.5 billion and will rise by 6.5 percent given a 3.8-percent national income growth rate. The overall total of payments and benefits to the population from social consumption funds will exceed the 5-year-plan targets by R10 billion. Their social significance lies in galvanizing the human factor.

In accordance with the decisions of the CPSU Central Committee February (1988) Plenum, paramount importance is imputed to restructuring public education and reforming general education and higher schooling. A total of R47.5 billion has been allotted to public education, including R3 billion for technical reequipment and computerization.

Over the last few years health care has noticeably fallen short of the population's requirements. The situation is now being rectified. In 1989 R24.8 billion—a 15-percent increase—is being channeled into the development of this socially significant sector.

State social insurance and working people's social security is a tremendous gain of socialism. The budget allocates for these purposes R73.9 billion, or 4.8 percent more than this year. The overwhelming proportion of the appropriations are intended for pension payments. A total of 60 million people will receive pensions by the end of 1989 from these and other sources. The budget allocates a total of R4 billion to pay pensions and grants to kolkhoz members, which is more than 55 percent of their pension security fund.

A total of R755 million—an increase of 13.2 percent—has been provided for the development of new forms of house services for single pensioners and for extending the network of homes for elderly people and invalids. I must say that the prevailing pension system needs to be improved. A new draft law on state pensions is being prepared on the instructions of the CPSU Central Committee and the government, which will be submitted for nationwide discussion.

By spending a great deal on social needs our state is entitled to expect the money to be used with the maximum return. Checks show that the resources allocated are often not fully assimilated. Unfortunately, I must

also mention cases where hospitals, schools, and boarding homes have embezzled or squandered funds, medicines, food products, and other material assets. The soviets of people's deputies must immediately restore order here.

Substantial progress must be made in the next year of the 5-year plan in resolving the task of providing every Soviet family with an individual apartment or individual home. Approximately R36 billion is being channeled into this from all sources of finance—almost R5 billion more than 5-year-plan targets. Growth rates of individual and cooperative housing construction are being speeded up. Local soviets will have budgetary appropriations totaling R12.8 billion at their disposal for housing construction. In connection with the fact that apartment rent does not cover the expenditure incurred, there will be a budgetary grant of R2.3 billion for maintaining the current housing stock. With consideration for enterprises' resources, the overall grant for these purposes will amount to R6.6 billion.

Enterprises' economically accountable funds form an ever-increasing proportion of the social sphere's resources. They firmly tie each worker's standard of living and quality of life to his or her contribution to the development of social production. A total of R38.1 billion is to be paid into the social development fund alone in 1989 by labor collectives. One in three apartments will be constructed using economically accountable means. It is important to use these funds carefully so that they provide working people with the maximum social benefits.

A total of R4.2 billion is allocated to centralized measures to raise the population's living standards in 1989. These funds will go toward increasing the wages of a number of categories of working people in health care, social security, VUZ's, and culture. The introduction of regional wage coefficients will continue. An important social measure will start to be implemented—a phased increase in partly paid leave for mothers to care for a baby. Allowances for children up to the age of 12 in poorly-off families are being introduced.

Concern for the rising generation permeates the decision to increase payments from the budget next year to encourage production of a range of children's goods and to maintain relatively low prices for these goods. In 1989 they will reach R3.7 billion, or 60 percent more than at present. Economic incentive funds for enterprises producing such products will increase by an extra R500 million as a result of allocations from the budget.

I would like to dwell on the question of the remaining debt on loans floated earlier among the population. The state is liquidating them as the funds are found. Out of a sum total of R25.8 billion, loan bonds to the tune of R16.3 billion have so far been bought back. It is envisaged that 1953 loan bonds to the value of R1.4 billion will be repaid in full next year.

A major item of budget expenditure is targeted subsidies to cover the difference between retail prices and the actual cost of producing output. In the budget for 1989 the expenditure on these needs will total R103 billion—an increase of 12.6 percent. Of this sum, R87.9 billion are subsidies on food. They are linked with the fact that the retail and purchase prices of many foodstuffs are below the cost of producing them.

Subsidies fulfill an important social function. They ensure that a stable level of retail prices for foodstuffs is maintained when production costs increase. They are also significant because they create the necessary conditions for enterprises in the agro-industrial complex to operate profitably.

At the same time it is becoming increasingly obvious that subsidies do not make it possible to make full use of economic management methods and reflect the cost-based approach to reimbursing high costs. The subsidies mechanism also frequently does not achieve its purpose from positions of social justice because those who have a higher income and consumption of valuable foodstuffs get the greater benefit.

The whole system of prices—wholesale, purchase, and retail prices—has to be revised. In implementing the reform of retail prices, the principle that a change in prices must in no way harm people's living standards will be firmly observed. Such proposals are now being drawn up and will be submitted for nationwide discussion.

The budget attaches paramount significance to financial support for resolving the food problem. Allocations of R108.8 billion to the **agro-industrial complex** are envisaged with due regard for the said subsidies on food. They are earmarked for the following purposes:

	Total in billions of rubles	Percentage proportion of total budget spending
In all	108.8	22.0
of which:		
Reimbursement of price differences and payment of differentiated markups on purchase prices	87.9	17.8
Centralized capital investments, including land reclamation	13.1	2.6
Operating and other costs	7.8	1.6

In addition to this, a further sum of R109.1 billion will be applied to the development of the agro-industrial complex from the economically accountable resources of enterprises and organizations. More than 85 percent of profits will be left at their disposal. This is much more than in other sectors.

Financial resources are primarily allocated for ensuring faster growth of investments in processing sectors and for the creation of production capacities at a qualitatively new technological level, making it possible to reduce losses in agricultural production.

The major material and financial resources being channeled into agro-industrial production must, as the CPSU Central Committee July (1988) Plenum noted, produce much higher returns. This is the real way to improve the financial health of the agro-industrial complex.

These processes are still unfolding only slowly in the complex sectors. Some 6,500 kolkhozes and sovkhoses operate at a loss. The mood of dependence is still strong on many farms—labor remuneration at times exceeds gross income, and large debts have accumulated. For this reason, the loans fund was reduced by R63 billion. At the same time, farms which have achieved financial stability could already start dealing with the banks.

All agro-industrial complex enterprises will operate on full economic accountability and self-financing in 1989. This is why it is so important to utilize front-ranking experience. This means primarily leasing contracts, whereby the production of output is 20-30 percent greater with smaller expenditure. It is necessary to march more boldly along the path of expanding leasing contracts as the most promising form of economic relations in the countryside. This was convincingly said at the recent conference in the CPSU Central Committee.

The financial program for the development of **material production sectors** is aimed at consolidating progressive positive changes in the economy, accelerating technical progress, and boosting the returns on state investments.

Centralized finance from the budget amounts to R172.7 billion. Ministries and departments and union republic councils of ministers must concentrate these vast resources along the decisive avenues for the intensification of production which produce maximum gain in labor productivity growth, resource savings, and increase of money accumulations.

There is a substantial increase in budget appropriations for the expansion of fundamental scientific research and intersector programs. The **financing of science** is set at a total of R21.5 billion, this being a 20-percent increase. Budget funds will be applied to ensure promising research into matters like the solution of the problems of high-temperature superconductivity, the development of new construction materials, biotechnology, and information technology. The USSR State Committee for Science and Technology will play a greater role in coordinating the priority avenues of scientific and technical progress. It will have at its disposal a special fund of financial resources. There will also be an increase in the volume of self-financed sectoral science, which is transferring to relations of economic accountability.

It is intended to boost the pace of investment in **machine building**. Its modernization is a decisive condition for accelerating the retooling and reconstruction of the entire national economy. The volume of budget appropriations for this purpose will amount to R6 billion, which is 1.3 times more than this year. A total amount of R28.2 billion will be channeled into machine building from all sources, this being an increase of 12.3 percent.

A budget allocation of R32.3 billion is provided for the stable development of the **fuel and energy, chemical industry and timber, and metallurgy complexes**, this being part of a total of R119.5 billion, which represents about one-half of all investment in industry. Resource savings must be stepped up in the national economy's sectors. This is a major reserve for savings of state funds for new construction.

Budget appropriations for **transport and communications** amount to R8.8 billion. Apart from this, a sum of R33 billion of their own funds will be channeled into the production and social development of these sectors.

A fast pace of investment is planned for the development and reconstruction of the highways networks. In line with the USSR Supreme Soviet Presidium decree, deductions from enterprises, kolkhozes, and other organizations for this purpose will increase from 0.3 percent to 0.4 percent of the total volume of their production of output and services. Furthermore, the taxation of means of transportation owned by enterprises and the population will increase from 1 January 1989.

On the basis of the state program for road building and rebuilding in the Non-Chernozem Zone, additional spending will amount to R3.6 billion by the end of the current 5-year plan. The economic and social significance of this spending is hard to overestimate; it should pay off, many times over, through reduced production costs and output losses, and will promote cadre retention in the countryside.

Capital construction is a leading area for budget expenditure. This is understandable, since fixed capital determining the future of both material production and of our society's social sphere is shaped in that area.

Budget appropriations for the financing of state capital investment will total R82.1 billion in 1989.

Financial indicators in construction are improving. However, there have not yet been any radical changes, even though there are plenty of opportunities. The continuing dissipation of resources and the untimely commissioning of fixed capital all exacerbate the imbalances in the national economy.

Many production projects take 2-3 times longer to build than planned. Enormous amounts of money—over R9 billion—are frozen in above-normative unfinished construction projects alone. Considerable resources could be released by reducing above-normative stocks of uninstalled equipment, which have reached R5 billion.

Capital construction today involves enormous material and financial resources. The acceleration of social production intensification rates and the financial improvement of the entire economy largely depend on how effectively and economically they are used.

The improvement of the economic mechanism and, above all, the switch away from the allocation of funds on a nonrepayable basis to the provision of capital investment credit on the basis that it will be paid for out of earnings [na osnovе printsipov platnosti i vozvratnosti] are key avenues in improving the efficiency of the entire investment sphere. It is planned to profoundly and comprehensively analyze the entire range of economic and organizational issues in order to introduce this promising method more rapidly.

Environmental protection and the rational use of natural resources are of increasingly acute importance under the conditions of the industrialization of all aspects of vital activity. Around R11 billion is being allocated this year to these purposes out of funds drawn from the state budget, enterprises, and economic organizations. They must be wholly and strictly used for the purposes for which they were allocated.

The improvement of the ecological situation is a task of enormous political and social importance. This problem has recently been at the center of the general public's attention. Corresponding decisions have already been made to improve the ecological situation in a number of regions.

It is necessary to accelerate the elaboration of an economic mechanism for the use of nature that enhances the economically accountable responsibility of enterprises and economic organs for pollution of the environment. Soviets should take the entire range of nature conservancy measures into their hands and strive to ensure that spending on these purposes is effective. The newly created USSR State Committee for the Protection of the Environment [po okhrane prirody] should make its influence fully felt.

One of the state's most important functions is to ensure a reliable defense capability. Budget spending envisages R20.2 billion for the upkeep of USSR Armed Forces personnel, material and technical supply, military organizational development [voyennoye stroitelstvo], and other spending. These appropriations remain at current year's level.

Our country consistently advocates constructive cooperation between states with different social systems, including on disarmament issues. An example of this is the agreement reached with the United States on intermediate- and shorter-range missiles, and the process now under way of destroying these weapons. All this is improving the international situation and creating opportunities for reducing the burden of military spending for the entire world community.

The budget stipulates expenditure of R3 billion on the upkeep of the state apparatus. This year work has been carried out to rationalize administration. Many intermediate links in ministries, departments, and union republics have been scrapped. The number of administrative workers has been cut by almost 600,000 and the number of official cars reduced by one-third.

But this is just the start. The line of cutting administrative personnel and reducing the spending on their upkeep will be rigorously adhered to. Improvements in the effectiveness of state spending require constant attention to questions of the improvement of the central and local administrative structure on the basis of the extensive introduction of economic methods and the development of a data base.

Currently 16 million administrators work directly at enterprises and other lower-level production links. More than R300 million are spent on their upkeep. Labor collectives should make full use of their rights under the law, improve the organization of administrative work, reduce the apparatus, and increase their economically accountable income on that basis.

Union Republic State Budgets [subhead]

Comrade Deputies! The union republic budgets are an organic constituent part of our multinational state's unified budget system. They account for approximately half the volume of the country's budget.

They have been set at R229 billion for 1989—an increase of 14.1 percent. The union republic budgets' preferential growth is associated with their economic and social development. Almost two-thirds of the allocations for education, health care, and payment of pensions and allowances are concentrated in these budgets. Practically all the costs of developing trade and consumer services for the population and implementing the housing and food programs are funded locally. Thus the enhancement of the population's well-being and the improvement of the quality of life depend to a decisive degree on the results of the soviets' economic and financial activity.

It should be pointed out that expenditure is growing faster than income in the union republic budgets, as in the state budget. In the course of implementing them the union republic councils of ministers and soviets have to find an extra R11.2 billion to reduce the budget deficit.

The enhancement of the soviets' role under conditions of the reform of society's political system and the further democratization of management is inseparably linked with the broadening of their economic independence and responsibility for the regions' comprehensive production and social development and for the strengthening of their own material, technical, and financial base.

A system of measures is now being drawn up to switch republic and local organs to the principles of territorial self-management, self-financing, and self-provision on the binding condition that regional interests are combined with all-state interests.

An important step in this direction is being taken next year. It is envisaged that local budgets will receive R2.1 billion in deductions from the profits of enterprises of union jurisdiction and R1.7 billion in payments from these enterprises for labor resources.

Development of the mechanism of territorial self-financing, which provides for a closer linkage between the expenditure of republic and local budgets and the end results of management, will begin in the Belorussian SSR, the Lithuanian SSR, the Latvian SSR, the Estonian SSR, Moscow City, and the RSFSR's Tatar ASSR and Sverdlovsk Oblast. Sources of income will be formed on the basis of long-term normatives, including receipts from all the enterprises located on their territory.

It must be emphasized that union republics and local soviets devote insufficient attention to developing their own income base. Financial support for the territories' socioeconomic development is provided to a considerable extent by increasing deductions from all-union taxes and incomes, whose amount will total 76 percent in 1989 against 65 percent in 1985. In the Uzbek SSR, the Kazakh SSR, the Kirghiz SSR, the Tajik SSR, and the Turkmen SSR these deductions amount to 100 percent. In addition, the said union republics will receive R5.9 billion from the union budget in the form of a grant to cover their planned expenditure.

In ensuring the union republics' own social and production development decisive significance is attached to the switch to economic management methods and the enhancement of management efficiency.

The use of the principles of self-financing is particularly important for rayon, village, and settlement soviets—the most mass-oriented link of people's power. Such work is already being done in a number of places. The phased transfer of the functions of funding sociocultural establishments to village and settlement soviets is being carried out in the Moldavian SSR. This will enable them to make wider use of the rights accorded them.

The democratization process and the development of territorial self-management demand the establishment of soviets' new economic relations with enterprises and the

population. It is primarily a question of uniting enterprises' material and financial resources on a commercial basis and creating joint production facilities and targeted regional funds out of voluntary contributions from economic organizations and the population. These and other progressive forms geared toward making maximum use of the people's initiative will serve the aims of implementing the territories' comprehensive economic and social development and protecting the environment. All-around support must be given to this process.

The report on the implementation of the USSR State Budget for 1987 is also submitted for approval to the USSR Supreme Soviet. Deputies have detailed information on this question.

Consolidating Finances and Money Circulation, Deepening Economic Accountability [subhead]

Comrade Deputies! The current financial and economic situation and the state of money circulation demand fundamentally new approaches to the organization of all work on the performance of next year's budget.

The organization of this work must be based on the utilization of commodity-money relations and the socialist market. Full economic accountability and self-financing must become an effective form for the development and deepening of these relations, making it possible to more quickly abandon dependence and really switch to [enterprises] earning their own funds. The transfer of enterprises in all sectors of material production to new conditions of economic management will be completed, and conditions will thus be created to improve the financial situation, eliminate the budget deficit, and normalize money circulation. This will be the special importance of 1989.

The radical economic reform offers opportunities for activating the vast reserves existing in every sector and region, at every enterprise.

Paramount importance among the practical measures for improving financial health attaches to the elimination of loss-making in the national economy.

It is necessary to decisively abandon the prevailing practice of automatically covering losses. Unprofitable enterprises exist at others' expense, incur great losses, and these losses have no effect on their labor remuneration. The urgency of the situation is rooted in the fact that this results in the annual loss of R10-11 billion of the people's money. Around 24,000 enterprises in different sectors operate at a loss. They are especially numerous in the USSR Ministry of the Timber Industry, the USSR Ministry of the Production of Mineral Fertilizers, the USSR Gosagroprom, the Armenian SSR, and the Turkmen SSR.

Our society must know who is augmenting the people's wealth and who is squandering it. The banks have already started publishing lists of insolvent enterprises. A number of ministries have decided to reorganize and even liquidate some enterprises which have operated unprofitably for a long time, unless they get themselves out of financial difficulties in the near future. This is, of course, a harsh measure, but it is necessary and is fully in line with the USSR Law on the State Enterprise.

These enterprises include, among others, the Poti plant for electrovacuum amplifiers under the USSR Ministry of the Electrical Equipment Industry, the Oyash plant for fastening products under the USSR Ministry of the Machine Tool and Tool Building Industry, and the Kirovograd and Priazovskoye mine administrations under the USSR Ministry of Ferrous Metallurgy. Broader use must be made of the practice of leasing loss-making enterprises and individual production sectors to labor collectives or transforming them into cooperatives.

On instructions from the government, the USSR ministries and departments and union republic councils of ministers have elaborated programs to basically eliminate loss making already next year. These programs must be implemented without fail.

Another way to improve financial health is to bring into circulation the superfluous material assets accumulated by enterprises. On the whole, stocks are valued at about R470 billion or more than 50 percent of GNP. The expansion of wholesale trade, flexible interest rate policy by banks, and introduction of commercial prices for output in increased demand which is consumed in excess of state orders or delivery contracts should make it economically disadvantageous to build up stocks of commodity and material assets. This could release several billion rubles from economic circulation [iz khoz-yaystvennogo oborota].

The improved utilization of existing production potential must become an important factor for improving the health of the economy and finances. Declining return on investment alone will result in a shortfall of about R2 billion of national income, which will increase the costs of production and will require additional capital investment.

Getting so many billions into economic circulation is a difficult, but realistic task. It requires fuller utilization of production capacities, especially at newly commissioned enterprises and facilities, the occupation of vacant areas, more shifts, and the faster replacement of worn-out and obsolete equipment. It is necessary to carry out a careful inventory and technical and economic analysis of facilities under construction, and elaborate measures to sharply increase the financial return on investments.

The modern economic mechanism is capable of accelerating the mobilization of reserves because every labor collective determines the future of its own development, relying on its own financial base. Next year enterprises will have funds of over R200 billion at their disposal. Labor collectives must make prudent use of these vast resources and see to the strengthening of enterprises' production base, as the material foundation of social development.

The increasing size of enterprises' temporarily free financial resources is evidence of the expansion of their financial potential. They amount to R40 billion. The money must work; it must not lie around as dead capital. To this end it is necessary to create conditions for its economically accountable utilization where it will provide a rapid return. Enterprises can form joint financial improvement and mutual credit funds. This experience already exists in nonferrous and ferrous metallurgy and in the agro-industrial complex. And it is a matter not of the old practice of free subsidies for laggard enterprises, but of partnership on a contract and economic accountability basis.

The sure way to strengthen enterprises' finances is the widespread use of a form of economic accountability based on normative distribution of income, that ensures that income is directly linked to end results and generates interest in reducing production costs. Given tight control of the growth of monetary incomes using the tax system, this form of management will be an effective factor in making the economy more efficient.

Restructuring of financial arrangements between enterprises requires a well-tuned mechanism of sectoral and intersectoral money turnover. This is not new. One must actively follow the path of organizing sectoral and regional commercial banks, which have already started operating both on a state and on a cooperative basis. Economic accountability must be introduced more quickly in the lower components of the banking system.

The financial system is substantially enriched by a new instrument such as share issues. Shares will be of two types: Those to be distributed among the workforce and those destined for free sale to other enterprises and organizations. Shares increase the self-financing potential by attracting part of working people's personal incomes for the purpose of economic and social development. Shareholders are to a greater degree in charge of production, and have a direct stake in the careful handling of state property placed at enterprises' disposal. A number of labor collectives are already utilizing this democratic form of involvement in management and are getting pretty good results.

There are major reserves to be found in the development of leasing of the means of production, not only in agriculture but in other sectors as well. The economic basis of leasing is the enhancement of labor collectives' responsibility and their commitment to making better use of socialist property.

Lease arrangements are expedient above all for financially unstable small and medium enterprises.

One central factor in improving the national economy's financial health is the stabilization of the money supply.

Rubles that can be converted into goods are the basis of material interest in the results of labor and of the normal functioning of the system of economic incentives and sphere of production and circulation.

That is why the spotlight is on the task of rapidly filling the market with consumer goods. A substantial regrouping of financial investments is planned to start in 1989 in favor of the priority development of industrial group "B," in which the speed of capital turnover is 3-4 times higher than the national economic average. A special system of financial benefits is also being brought in as an incentive to enterprises to increase output and widen the range of consumer goods.

A great deal is being done to improve the money supply in the Belorussian SSR, the Baltic republics, and the Moldavian SSR. At the same time, a number of union republics—the Ukraine, Georgia, and Azerbaijan—are constantly petitioning the USSR Government for extra money.

In order to strengthen the money supply it is equally important to correctly regulate people's incomes so that they match the specific contribution made by each member of society to swelling the national income. It is necessary to undeviatingly observe economically valid ratios between productivity growth and pay. Sector ministries must not stand aloof from this task either. It should be plainly stated that the forms and methods of pay that are being used do little to commit labor collectives to introducing scientifically substantiated output norms and advanced labor organization, and give rise to the abnormal phenomenon of leveling.

In nearly one-half of industrial ministries the rate of growth of average pay has outstripped labor productivity. The situation in other sectors is no better either. This can no longer be tolerated. It is essentially eroding society's accumulated wealth. As of next year bank monitoring of the ratio between labor productivity and average pay will be intensified, becoming quarterly. This measure is not intended to limit people's monetary incomes, but is geared to linking them more closely to the end results of labor.

The prosperity of labor collectives now depends in large measure on the size of profits. But society is by no means indifferent as to how increased profits are achieved. If it is through efficient, hard work, then it can only be welcomed. But there are many instances where a socially unacceptable method is being used—raising prices without improving the quality of goods and eroding the cheap range.

The most effective means of combating these negative phenomena is to fill the market with goods and services, reduce production costs, develop socialist competition, and impose legal and financial sanctions in cases of unwarranted price rises.

It is necessary to elaborate a range of effective anti-inflation measures and persistently implement them and put solid barriers in the way of the payment of unearned money.

Throughout the national economy it is necessary to tighten up accounting and monitoring by society and state of the extent of labor and the extent of consumption, which is directly related to Lenin's notion of socialism. Neither accounting nor monitoring has yet become an intrinsic part of the new economic mechanism and a sure barrier to extravagance and mismanagement and unearned income.

The staff of financial and banking bodies and ministries' economic services must persistently master modern management methods and be very professional. The main emphasis must be on the development of partnerships with enterprises to identify all the potential for increasing profits and intensifying thrift and economy.

Comrade Deputies, our country is entering a crucial stage of restructuring, of the implementation of radical economic reform. As was stressed at the extraordinary session of the USSR Supreme Soviet, practical progress is needed, together with a real improvement in all areas of our work.

The USSR State Budget for 1989 is a very tough one. Its implementation requires vigorous, purposeful actions in mobilizing reserves, ensuring rigorous economies, and putting state finances in order. It is a job for the whole people. It is necessary in every labor collective, rayon, city, oblast, and republic to elaborate financial health improvement programs. It will take time and a great deal of effort, but the main thing is practical action.

As we see it, our task is to achieve new qualitative advances in restructuring the finance-credit system and transferring the economy to genuine economic accountability. All this will serve the successful fulfillment of the outlined plans and acceleration of our society's socioeconomic development.

Parliamentary Group Honors UN Declaration
LD2710143988 Moscow World Service in English
1400 GMT 27 Oct 88

[Text] At the Supreme Soviet session, the Parliamentary Group of the USSR has adopted a special appeal to mark 40 years since the United Nations passed the Universal Declaration on Human Rights. The address says the Soviet Union shares the goals and principles of the declaration and has ratified all the pacts and conventions adopted on (?its) basis. The document says the Supreme

Soviet regards the consolidation of economic, political, and individual rights and freedoms and the reinforcement of their guarantees as task number one. Work is under way in this country to promote democracy and openness in every possible way, says the appeal, and to pave the way for the pluralism of views, taking into account the diverse interests of all social groups, ethnic, and other communities. The Soviet Union, says the appeal, is ready for large-scale cooperation to make the people better off everywhere and enhance their legal protection.

Further on Lithuanian 'Sajudis' Movement Congress
PM2710160188 Stockholm DAGENS NYHETER
in Swedish 23 Oct 88 p 10

[Harald Hamrin dispatch: "Movement for Restructuring"—all personal names as published]

[Text] Vilnius—Some 20,000 people chanted first "Sajudis, Sajudis!" and then "Lietuva! Lietuva! Lietuva!" when free Lithuania's yellow, green, and red flag was hoisted on the flagpole outside the Vilnius sports palace early yesterday morning.

And Lithuania also got its "movement"—after the Estonian and Latvian Popular Fronts earlier this month. But unlike the other two Baltic republics, the talk here in Vilnius is not of a "popular front," but of Sajudis—a "movement in support of restructuring."

It is difficult to say whether there is any real political difference between the two terms.

On the one hand the anti-Russian elements are weakest in this, the southernmost of the three Baltic republics. At yesterday morning's mass meeting outside the Vilnius sports palace the many banners calling on Russians to "go home," which characterized the corresponding meetings in Tallinn and Riga earlier this fall, were completely absent.

But then the Russian section of the population is considerably smaller in Lithuania than in its two neighbors: In Estonia the Estonians amount to only 60 percent and in Latvia the Latvians amount to only 50 percent of the total population. In Lithuania, however, the Lithuanians still represent 80 percent of the republic's 3.5 million inhabitants.

On the surface the ties are also strong between the "movement" and the Communist Party—or, perhaps more correctly, the new and pro-reform party leadership which took over last Thursday [20 October], when "liberal" Algirdas Brazauskas was elected party head. Both sides spoke yesterday—the first day of a 2-day congress at which Sajudis will adopt its program and elect a governing body—about "common goals" in the present climate of political "renewal" and "rebirth."

On the other hand, Vilnius was characterized yesterday, as on the weekend of 8-9 October in Riga in particular, by a powerful outbreak of national feeling, long suppressed but now breaking the surface.

After the open-air ceremony the 1,200 delegates gathered inside the massive sports hall to listen to speech after speech about "rebirth" and "new life."

Author Martinus Marcinkevicius said that "we have gathered here to say that we cannot go on any more as we did in the past."

He called for a minute's silence to "honor the memory of the victims of Stalin's terror." And he said that this day was "yet another step along the road of truth."

After Marcinkevicius the rostrum was taken by Vytautas Landsbergis-Zemkalnis, the Lithuanian "freedom movement's 98-year-old patriarch," an old man who played an almost legendary role, first in 1919 and then later in 1939. With tears in his eyes he named the sports palace "Lithuania's temple."

"Shoulder to shoulder we stand here today to begin Lithuania's rebirth," he said. "I do not know whether I have ever been happier in my life than I am at this moment, standing together with you in this temple."

And he was received with acclaim, the old man whose name has for years been linked with the slandered and ridiculed "bourgeois Lithuania."

The subsequent—younger—speakers were no less emotional.

Romualdas Ozolas—philosopher and editor of the journal REBIRTH—spoke of "this revolutionary rebirth." He said that "communism tried to create an ideal world on this earth," but noted ironically that every attempt by man to put himself in God's place and create something perfect "simply leads to inhumanity."

Writer Vergilius Cepaitis said that "for years we have been brought up to feel nationally inferior" and that "for many years we have been like guests in the house built by our forefathers."

And philosopher Bronius Genzelis said that the last few months' popular demonstrations in Lithuania "have liberated us from the fears of past times and instilled in the Lithuanian people a new self-confidence and self-respect."

But yesterday more down-to-earth day-to-day problems were also discussed. Zigmas Vaisvala, leader of Lithuania's Greens, wanted to know where all the Soviet Army units and missiles are stationed in the republic.

"The secrecy surrounding this is simply to keep the people in ignorance, not to protect us from the enemy," he said.

Vytautas Landsbergis, the son of the old "patriarch," analyzed the economic situation and said that "we will not work like slaves to bring in foreign currency for the great power."

And Bronius Genzelis launched a searing attack on the Soviet state's "society of privileges" in which young people who do not have "special" parents find it difficult to make their way in the world simply on their own qualifications.

This was an outburst which was to the delegates' taste, and from the depths of the packed galleries an anonymous voice was heard to cry: "Down with the Red bourgeoisie!"

It might be thought that the leader of Lithuania's Communist Party would have had a difficult task in appearing before this meeting. But he was greeted with wild applause when he stepped up onto the rostrum, and he was showered with flowers and greeted with song when he left it.

In his first public speech since his appointment the day before yesterday, he described Sajudis as the "positive force" which could create a "better society" in which people are "less patient with evils." He also called for "fruitful cooperation" between Sajudis and the party.

In his speech, Brazauskas also revealed that a monument will be built to commemorate the victims of Stalinism. He also made reference to a Supreme Soviet Presidium decision, made public in yesterday's newspapers, according to which the victims of Stalinism will be rehabilitated as soon as possible, the survivors to be compensated for material suffering.

Yesterday evening tens of thousands of inhabitants of Vilnius gathered in the city center beneath one of the legendary hills for a "national meeting." The old national anthem, "O fatherland, our dear Lithuania," was sung, hundreds of people were dressed in national costume, and a choir sang old Lithuanian folksongs.

On the top of the hill a clump of small oaks was planted. These will grow into the "forest of Lithuanian rebirth."

Further on Speeches, Comments

PM2710171188 Stockholm SVENSKA DAGBLADET
in Swedish 23 Oct 88 p 4

[Asmund Willersrud dispatch: "Opposition Is a Powerful Force"—all Lithuanian personal names as published]

[Text] The people's plan will from now on be the party's plan, and not the other way around, as the old propaganda placards in front of the Central Committee building in Vilnius have announced for years and years.

So said party leader Algirdas Brazauskas, to thunderous applause from the almost 1,200 delegates during the opening of the restructuring movement's first congress in Lithuania yesterday. The meeting also rejected the proposed new Soviet constitution, made public in Moscow.

The Sajudis congress demonstrated in a long standing ovation that the new leader is their choice for party chief. Brazauskas responded by going further than any of the other Baltic first secretaries in declaring the party's faith in the new independent movement.

He was able to do so with the support of a message from Mikhail Gorbachev which he read to the congress, and in which the Kremlin leader declared that the Sajudis movement is a positive force which can serve the Soviet Union's interests. Brazauskas admitted that at first—in June—the party was wrong when it completely wrote off Sajudis. He himself is one of only two Central Committee members who gave the movement his support from the very beginning.

However, the latest Politburo meeting confirmed the party's new positive approach. But the first secretary stressed again that the party and movement are not agreed on all points, and called for a dialogue to find the best and most realistic road for Lithuania's people.

On the day that the Lithuanian movement began its congress Moscow announced the draft of a new Soviet constitution. It was immediately rejected by a Sajudis spokesman as merely the expression of the views of central power. Professor Vytautas Landsbergis said that the congress will adopt its own proposed constitution, both for Lithuania and the whole union. This is different from Moscow's draft, especially on the question of sovereignty, where there is likely to be a head-on collision.

"Our new constitution cannot be of the same type that Moscow has now announced," Landsbergis said.

However, the party leader received renewed enthusiastic applause when he declared that the government has approved plans for a monument to the victims of the Stalin era. Further, the party will permit the reconstruction of the three crosses, the great monument on the banks of the Neris, pulled down during the period of the tougher policy against the Christians in the fifties.

Brazauskas invited Sajudis to cooperate in a commission to seek the repatriation of the thousands of Lithuanians still in exile in Siberia. In doing so he largely responded to the demand from a hunger-striking Lithuanian who has set up a tent next to the large cathedral in the center of Vilnius.

Algirdas Brazauskas said that the most important thing in the present situation in Lithuania is to preserve the sense of political responsibility. His appeal won a striking response from the majority of speakers at the congress, who put forward their radical demands and views with greater restraint and sobriety than speakers at the preceding congresses in Estonia and Latvia.

This could perhaps be due to awareness of the great seriousness of a situation which is still uncertain, and which poet Andrey Voznesenskiy came forward and described in the following words: "If Stalinism were to come back now, everyone in this auditorium would be arrested and sent to Siberia."

Several contributions to the meeting showed clearly that the situation surrounding the incipient national liberation is tense in Lithuania. Virgilius Cepatis told of a campaign against Sajudis which spread fear and concern among Russians and other minorities in the republic. Eighty percent of the population are Lithuanians, 8 percent Russians, and 7 percent Poles.

Here there are forces which want to increase polarization and turn our republic into a new Karabakh, the speaker warned. He demanded punishment for people who provoke nationalist violence, and revealed that there are leaflets circulating with aggressive nationalist content, which greatly harms the movement.

A poster containing hate-filled slogans recently had to be removed from a house wall in the center, and in the square outside the congress building there was a heated discussion between a Russian-speaking woman and a couple of young Lithuanian demonstrators. On a large piece of red cloth they had slogans about a bloody massacre of Lithuanians in 1944, while the woman claimed that this was a provocative desecration of the Soviet flag.

Over loudspeakers in the square, and on radio and television, appeals from Sajudis members were broadcast, calling for a responsible line, which must not be allowed to harm the interests of any nationality.

"The Lithuania of the future must be a state based on law and its own citizenship, a civic contract which demands guarantees that Lithuanians and non-Lithuanians are equal before the law," declared Arvidas Juozaitis, one of the founders of the movement.

But the attitude to new immigration by Russians was clear: "Only Lithuanian citizens are able to tell all manner of vagabonds that there is no room in our country for wandering souls and poorly shod or armed occupiers." The Russians' poor-quality shoes are a well-known image.

At a news conference Professor Landbergis admitted that as yet no mechanism had been created to halt immigration, but said that it will cease of its own accord

as a logical consequence of the self-government to which people are looking forward. In the draft resolution on national sovereignty the movement makes far-reaching demands:

—Full control over Lithuania's economy, prices, trade, taxes, energy, and resources;

—Its own currency, legislation, culture, education, and social bodies;

—Responsibility for its own national security, relations with other countries and organizations, military service, and immigration controls;

—Separate Lithuanian citizenship and the reinstatement of Lithuanian as the national language;

—Only Lithuania's own laws will apply in the republic.

The only concession is that the republic's "sovereign rights over defense, general foreign policy, common currency reserves, and federal administration will fall jointly within the competence of the Soviet Union and Lithuania."

Ignalina AES 'Back to Normal' After Fire

*LD2710120088 Vilnius in Lithuanian
to North America 0100 GMT 26 Oct 88*

[Summary] It appears that the situation is back to normal at the Ignalina AES. As we have already reported, the second unit is in operation and the first unit is undergoing planned repairs. The environment is not being polluted at the moment in practical terms.

However, yesterday about noon, garbage in the staff corridor of the first block caught fire. Staff members put the fire out before the firemen arrived. No damage was reported. It is believed that the fire was caused by a cigarette.

Some days ago, Morris Rosen, deputy general director of the International Atomic Energy Agency, visiting the Ignalina AES, said that even a burning garbage can at an AES is to be considered as fire. So, yesterday's case is a perfect example of this.

Despite great concern voiced by the Lithuanian people, order at the Ignalina AES is not improving very much.

Cadre Problems Behind Armenia Troubles

*PM2710144188 Moscow IZVESTIYA in Russian
27 Oct 88 Morning Edition p 3*

[Report by special correspondents S. Bablunyan and G. Melikants: "Debates in Opera Square and Steps Toward Improving the Situation in Armenia"]

[Text] Yerevan—S. Arutyunyan, first secretary of the Armenian Communist Party Central Committee, received a telegram from Hero of Socialist Labor Sero

Khazadryan, the doyen of Armenian writers. Speaking about his attitude toward the Armenian Communist Party Central Committee plenum held in September, he emphasizes: "It is a bold, welcome program, a manifestation of concern for the republic's future, for restructuring."

For almost 3 months now Khazadryan has been in the mountain rayon center of Goris, not far from Karabakh. "Through the efforts of local leading comrades and the people, the situation is stable in Zangezur," he reports. "I myself am helping to normalize the situation in all spheres." The authority of this master of the word is such that his assessments sometimes serve to guide thousands of people. Sero Nikolayevich has written nothing for the past few months. Has he lost interest? Well, a wise man will be in no hurry in a serious matter. But neither will he tarry.

The writer's telegram is characteristic of inwardly responsible people who are really concerned about the republic's fate. The Armenian Communist Party Central Committee September Plenum answered many serious questions, encouraged those who were hesitant, and increased the confidence of those who see today's tasks clearly. It also provoked a flood of letters to party committees and newspaper editorial offices.

The letters differ. They range from openhearted, approving ones to ones that are full of concern and pain. "No one must stand aside today. Changes will not come about by themselves" (Engineer G. Grigoryan). "The consolidation of healthy forces is very frightening to antirestructuring people. They resort to any provocation to drive a wedge between the new leadership and the people" (Hero of the Soviet Union A. Kazaryan). "The past 14 years were not just years of stagnation for Armenia. They were years of gross mistakes in politics and in the economy, of a sometimes deliberate departure from Leninist norms in cadre policy. Corruption, favoritism, speculation—this is what the republic inherited from K. Demirchyan as political leader. Bearing no responsibility for this before the party, he has quietly gone off to rest" (war invalid G. Yeregyan). "I propose that a commission be set up to investigate the activity of L. Nersesyan, member of the Armenian Communist Party Central Committee, deputy of the USSR Supreme Soviet, and former first secretary of the Yerevan party gorkom, or that proceedings be instituted against me for slander" (Candidate of Economic Sciences A. Perikhanov). "The 'Karabakh' Committee's appeals are leading our people into a political impasse. It is necessary to take a clear, purposeful stand to resolve the problems which have accumulated" (K. Antonyan, chairman of the Ayrenyats village kolkhoz)....

As we see, there are two very burning problems: the improvement of the whole environment of life in the republic, and the Karabakh movement. Of course they are linked. The debates in Opera Square are diverting considerable effort, which is so essential for a broad

offensive against grave economic and social ills, and the delay in the struggle against them is pouring oil on the flames of the speeches in that same square. The rustle of challenge banners would hide glaring figures: Last year the inhabitants of Armenia received 6,000 fewer apartments than 15 years ago, two-thirds of the republic's villages do not have piped water or gas, and of the R31 million allocated to health care in the last 5-year plan R26 million was spent on a sports and concert complex in Yerevan.... There is no denying that it is an impressive structure. But it is a no less impressive fact that there are 85 hospital beds for every 10,000 of the population in Armenia against an average union indicator of 130. Lines, shortages, extortion, and many years spent waiting for an apartment are at one extreme. At the other are cars, detached houses, furniture from Finland, and Japanese china. This is the discrepancy that has to be overcome, this is what has to be changed.

There is, however, a sphere in which changes are already noticeable. A special kind of arbitrary rule reigned here for long years—it is a question of cadre policy. The Central Committee is now acting decisively. S. Manukyan, for example, has been removed from the post of first secretary of Talinskiy raykom. In "his rayon" he cultivated nepotism and a passion for building detached houses. A. Khachatryan, chief of the mechanized column operating in Talinn, erected alone in his mother's name a house with an area of...380 square meters! A. Oganessian has been removed from the post of first secretary of Yerevan's 26 Baku Commissars party raykom for total neglect of all matters. T. Ter-Petrosyan, general director of the "Razdanmash" Association, has been punished for distortions in state statistical reporting and violations in financial and economic activity, and has been dismissed from his post. All three had been reliably protected in their time by "supreme power."

Now about another untouchable, a rank lower. Everyone remembers the affair when a well-known singer and her group were refused a prebooked hotel room in Leningrad because another guest was already staying in it. What kind of figure was he? The resident turned out to be T. Dzhdoyan, who had paid R83 for each day of his 12-day stay. He was down on the registration card as a staffer of the Armenian Ministry of Grain Products, while in fact he was...chief of an MVD Investigation Administration department. His student son was living in another room, also with a "legend." Dad's example is catching.... But did anyone shame Dzhdoyan? No way! The investigation administration's party organization perceived that incident as nothing special.

The nepotism of certain leaders sometimes ends up offending the feelings of tens and hundreds of people. The career of L. Stepanyan is being discussed animatedly at the "Ferrit" Plant: After graduating from a polytechnical institute just 2 years ago, the young man worked for a short time at the "Ani" Production Association, and now he is already "Ferrit's" deputy chief designer.

Perhaps there are no experienced specialists for promotion at the plant? Or perhaps yesterday's student is extremely talented? People assert, however, that the secret of his elevation lies in the post held by his father—R. Stepanyan, chief of an Armenian Communist Party Central Committee department.

It is difficult to clear "cadre obstacles." Curative measures—surgical and preventive—have been taken where the Central Committee has investigated. There is still a whole host of work to be done, for, as S. Nazinyan, first secretary of Krasnoselskiy party raykom, said at the September plenum, we have to "inventory" the activity of leading workers and say who is who for all to hear. Four members and candidate members of the Central Committee Bureau, seven Central Committee department chiefs, three gorkom first secretaries, and nine raykom first secretaries have been released from their jobs since June of this year. Nine ministers, including those of justice and internal affairs, nine state committee chairmen, the republic prosecutor, and a number of other leaders have been dismissed.

They have been replaced by new, energetic people, and some of them have broken the customary nomenklatura circle. Thus the collective of the Institute of Economics and Planning under the republic Gosplan named the candidacy of the new chairman of the State Committee for Statistics—he was L. Davtyan, a qualified economist and statistician. In the elections of party committee first secretaries in Kirovakan, Sisian, Oktemberyan, and Aparan, Communists were told: There will be none of "our" candidacies; propose your own, evaluate them yourselves, and decide yourselves who is more worthy.

So an analysis of past mistakes has been made. It is clear what has to be ended and what must be developed. There is an action program, and there is action, in the very complex cadre sphere in particular. The chief thing, however, is still to convince people and to channel their energy into restructuring.

Unfortunately, all sorts of irresponsible slogans at rallies lead away from the goal. Even though rallies are now held only on Fridays and fewer people gather in the square than even 2 months ago, the effect of these slogans is still palpable. Previously the microphone would carry reproaches that there was no program, that the Central Committee and the republic's government were not concerned about the fate of the Nagorno-Karabakh Autonomous Oblast [NKAO]. Today the program exists, real assistance for the autonomous oblast is getting under way in all spheres, and meetings of the Azerbaijani and Armenian leaders, at which constructive solutions are sought, seem to be becoming traditional. But, in order not to lose their audience, certain speakers use a tested ploy—they deny what is obvious. You listen to them, and time has stood still.

But time is working. Here is just one example. The closure of the Armenian AES is an acute issue. It is situated in the fertile Ararat Valley, close to Yerevan, in a region of increased seismic activity. The USSR Council of Ministers has had its say—the station will be closed. And yet the AES now generates one-third of all the electricity consumed in Armenia. Thus we cannot simply hang a lock on the gates—first, the Razdan GRES must be extended as quickly as possible in order to make good the losses. The future of the AES itself is another aspect of the matter: How is it to be reprofiled? No one has ever done such a thing before. And, finally, the people—they must have work and live! In short, it is a complex problem, and it will take time to resolve it. But can the republic's government be accused of inaction?

Another example. The charge is heard at rallies: A struggle is not being waged against corruption and crime. Let us be frank: This struggle is still being waged very, very poorly. But although the work of inquiry organs is not very effective in an unstable situation, today it is possible to speak of a shift here too. The whole republic was stunned by the rumor of the murder of two men—the motives behind the killing were unknown and incomprehensible. Painstaking work was carried out. A man suspected of committing the crime was arrested. There is a hope that the tangle will be unraveled. In the course of just one operation, internal affairs organs carried out checks in more than 500 stores, workshops, and studios. People were caught red-handed at 186 "points," including 72 in the Trade Ministry system, 82 in the consumer cooperative system, 14 in the fruit and vegetable trade system, and 18 in the consumer services system. Many cases of giving short weight and short change and so-called concealment of goods from sale were recorded.

But in Opera Square everyday affairs that are close to the working person are being pushed increasingly into the background. People ask, reasonably: Why do strike calls emanate for the most part from people who have not yet tasted real work? And it is others who have to make up for what is lost and work overtime....

It seems that, increasingly, opportunists are attaching themselves to the "Karabakh" Committee. Recently, Hero of the Soviet Union Major General A. Kazaryan, chairman of the republic Council of War and Labor Veterans, introduced one such "figure"—S. Pogosyan. At rallies he claims to be a lieutenant colonel, and an active war participant. Veterans have checked him out. It emerged that his rank is major and that he never fought at the front. Why should an honest person invent biographical details? "We invited him to attend a session of the Council," the general writes, "and gave him an opportunity to speak. No one, I emphasize, no one of those present, representing all regions of the republic, supported his utterances, which were hard to understand."

At the moment, report-and-election party meetings and conferences are taking place throughout Armenia. At many of them the pressing need to convene an extraordinary congress of the Armenian Communist Party and

to renew the composition of its Central Committee has been raised. We attended the party conference at the Armenian AES, for instance. People talked about painful problems: about the upcoming shutdown of the nuclear reactor, about poor living conditions, about the protracted construction of municipal facilities, about the upbringing of the young generation. And, of course, about the NKAO problem. But the discussion was calm, sober, and filled with understanding for the by no means unequivocal situation; the need for a constitutional solution was emphasized. During a recess the conference delegates surrounded S. Arutyunyan, visiting Central Committee first secretary, and asked him about the Central Committee's plans for the near future and his recent visit to Stepanakert. Nobody was lost for words; the lively conversation was peppered with critical remarks. And it crossed our minds that in the current difficult debate on questions of utmost complexity the damage which has been done by dogmatism and subservient formalism is felt especially keenly. However, even now many party officials are only getting into their stride; they are still afraid to enter into polemics with demagogues, and even with those who are genuinely misled or agonizingly seeking the truth.

What course will this polemic take now? Will the republic's creative intelligentsia join in, with positions in the people's true interests? Very much depends today on whether a way to reach the people can be found. Elections to replace former Armenian SSR Supreme Soviet deputies were held recently in Yerevan and Charentsavan. Not one of the registered candidates won a majority. This could be described as the old approach to the nomination of candidates (they comprised two ministers and one Central Committee department chief) and formal election propaganda. However that may be, it is a highly indicative symptom: The democratic mechanism revealed that people were ill prepared and unable to use this mechanism. The conclusions to be drawn from this are far-reaching. Ahead of us lies the election campaign, based on new principles. We have to elect worthy champions of restructuring rather than orators and would-be politicians.

Lawyers View Decrees on Rallies, Militia
PM2710141988 Moscow SOVETSKAYA KULTURA
in Russian 27 Oct 88 p 3

[Article by Doctors of Juridical Sciences E. Ametistov, S. Borodin, V. Kartashkin, B. Kurashvili, R. Livshits, B. Nazarov, and B. Strashun: "USSR Supreme Soviet Session: The Law Is Tough. But Is That the Law?"]

[Text] A routine USSR Supreme Soviet session opens today. Two new acts adopted by the USSR Supreme Soviet Presidium this July—the decrees "On the Procedure for the Organization and Holding of Meetings, Rallies, Street Processions, and Demonstrations in the USSR" and "On the Duties and Rights of the USSR MVD Internal Troops in Protecting Public Order"—are

to be submitted for its ratification in accordance with Article 122 of the USSR Constitution. If the session ratifies these decrees they will become Soviet law.

Do we need such laws? Undoubtedly, yes. The procedure for the implementation of citizens' constitutional rights and freedoms needs to be clearly regulated by law—otherwise they will not become reality. Democracy must have an effective means of defense; otherwise it will inevitably turn into its opposite: anarchy and then despotism. And in this respect the adoption of legislation establishing a clear and effective mechanism for protecting citizens' rights and public interests can only be welcomed. In itself this legislation is an important step toward the creation of a rule-of-law state.

However, in regulating citizens' rights and freedoms, legislators inevitably encounter the exceptionally complex and, one could say, agonizing problem of any democratic society—that of striking a balance between rights and duties, between personal and public interests. Everyone should, after all, recall that he lives and acts in society, among other people with the same rights and freedoms, and that he lives in a state called upon to defend supreme public interests and values. On the other hand, it is necessary to provide guarantees that these supreme interests do not become a pretext for unjustified infringement, not prompted by any genuine social need, of personal rights and freedoms. In a desire to strike this social balance, mankind's political thinking has worked out the following formula: It is necessary to use one's rights and freedoms in such a way as to ensure that the same rights and freedoms of others are not violated. Establishing the optimum boundaries between citizens' rights and duties and between personal and public interests, and eradicating any opportunity to violate these boundaries, both on the part of citizens and on the part of state organs and their officials, is the true art of legislation.

Have these tasks been fully resolved in the new decrees?

Let us turn to the decree "On the Procedure for the Organization and Holding of Meetings, Rallies, Street Processions, and Demonstrations in the USSR." Here above all the very concept of all these measures is lacking. The objection might be made, of course: Who needs this legal casuistry—after all, it is clear to each sensible person what constitutes such a demonstration, rally, or meeting. To each, but not to all. The decree has not yet become law, yet the Leningrad militia has arrested and sent to trial students gathering signatures in the street to protect an old Leningrad building from planned demolition. The court fined some and sentenced others to 10 days' detention for violation of the established procedure for holding demonstrations and street processions. Who is to say just what the young men and women were carrying out in gathering signatures: a demonstration, street procession, rally, or meeting? It is clear to all sensible people that the gathering of signatures is not one of these measures. So what were the young people sentenced for?

It is obvious that the decree should begin with clear and understandable definitions of all the actions under discussion in order to restrict the area subject to legal regulation and prevent its arbitrary expansion or narrowing by those organs applying the law.

We would all seem to agree that one of the fundamental principles of legislation in a socialist rule-of-law state should be the formula that everything that is not prohibited is permitted. This principle has been proclaimed from the highest rostrums and approved by the highest party forums. As applied to the question under examination it means that, in execution of the freedom of speech and the freedom to hold meetings, rallies, street processions, and demonstrations guaranteed by Article 50 of the USSR Constitution, citizens do not need any special permission from any state organs. The most they have to do is inform the authorities of their intention to hold a certain event stipulated by the Constitution.

The decree lays down a procedure requiring permission rather than notification for the implementation of constitutional freedoms. In order to implement rights enshrined by Article 50 of the USSR Constitution, citizens must apply each time for permission to an organ of executive power—the ispolkom. It is the ispolkom that decides whether to permit or ban a rally, demonstration, or other event. And the decree gives ispolkoms very extensive opportunity to use their discretion: They can ban events if their aim runs counter to the USSR Constitution and the constitutions of union and autonomous republics, or if they threaten public order and safety. Such a broad formula allows ispolkoms—organs whose role is essentially to put the law into practice—to interpret as they see fit not only the aims of rallies and demonstrations but actual constitutional norms, by comparing the two; granting this prerogative to a future Constitutional Monitoring Committee, in the course of the reform of the political system, is still only being proposed!

This situation cannot be deemed normal. One consequence is the strange picture whereby officially sanctioned rallies were held in the Baltic republics, for instance, on the most acute political problems; special operations detachments in Moscow broke up a rally devoted to the Czechoslovak events of 20 years ago; and the Leningrad authorities have long turned a blind eye to rallies held by "Pamyat," whose slogans and calls directly contravene not only the Constitution but Soviet criminal legislation.

We believe that the sole condition for the implementation of citizens' constitutional freedoms should be that they give the ispolkom corresponding notification of the planned event. The ispolkom should not be granted the right to permit, merely the right to ban such an event in cases strictly established by the law, when the aims of the event run counter to Soviet laws. And it is extremely important for the list of such cases to be as specific as possible, to be strictly exhaustive, and not be subject to

wider interpretation. Here is a possible list of such cases or criteria for a ban: calls for the violent overthrow or change of the existing state and social system, and any other calls for violence or attempts to use violence with regard to any population group or individual; calls for or attempts to effect material damage to state, public, or private property; propaganda for war and aggression; propaganda for racial, national, or religious hostility and hatred; propaganda for pornography and the corruption of minors; and violation of sanitation regulations and threats to or attempts to inflict damage on the environment.

It is also impermissible, in our opinion, to give local organs of power the right to additionally regulate the procedure for holding rallies, demonstrations, and other events "with regard to local conditions," since this would result in citizens being unequal, both legally and in practice, in the exercise of their constitutional freedoms.

A shortcoming of the decree is the fact that it does not envisage the possibility of a decision to refuse to allow the holding of rallies, demonstrations, and other events being challenged in court. Taking into account the alarming trend in judicial practice toward a narrowing of the sphere of complaints examined in court, we believe it necessary for the law to establish that decisions made by ispolkoms and other organs of power to ban or stop meetings, rallies, street processions, and demonstrations can be challenged in court, in accordance with the USSR law "On the Procedure for Challenging in Court Illegal Actions by Officials Infringing Citizens' Rights."

As for the decree "On the Duties and Rights of the USSR MVD Internal Troops in Protecting Public Order," particular attention should be devoted to the following provisions in it.

The decree gives internal troops the right to "gain entry to residential buildings and the premises of enterprises, organizations, and institutions in pursuit of persons suspected of having committed a crime." In giving internal troops this right, it is absolutely necessary to clearly define the concept of "pursuit" in the text of the law, pointing out that it is a question of a direct, uninterrupted pursuit "hot on the heels" of suspects. That is precisely how the right of pursuit is defined in the laws of many countries and in international law. The absence of such an explanation could lead (and in practice does lead!) to abuse of the right of pursuit for the purpose of gaining entry to housing and other premises over an indefinitely long period after the crime was committed, without the relevant grounds laid down by law. The constitutional right to inviolability of the home is thus under serious threat.

The decree establishes internal troops' right to use "special measures and means" to stop detainees engaging in riotous and unruly behavior, and to stop mass disturbances, group violations of public order, and so

forth. It is extremely important that the conditions and rules governing the use and extent of such measures and means be laid down exclusively by a USSR law rather than by departmental instructions.

The decree also regulates the procedure for the use of arms for the purpose of protection from attack. And although the criteria for the use of arms are quite fully established, it is necessary to tighten the guarantees that the rules governing the use of arms will be properly carried out. The matter being resolved here is too important.

A major shortcoming of the decree is the fact that it removes all questions of the use of internal troops from the purview of local organs of power, placing the resolution of these questions wholly within the jurisdiction of the USSR minister of internal affairs—who in certain cases must seek the agreement of the USSR Council of Ministers. However, taking into account the course proclaimed by the party of stepping up and expanding in every possible way the powers of the soviets, this approach is unacceptable. The soviets should have the right to be heard if there is a question of using internal troops on their territory.

How are all these shortcomings and loose ends in the two decrees to be explained? Above all, on the same basis as many other flaws in our legislation: They were adopted in secret and in haste, without adequate consultation with the public. The opinion of law scholars was not taken into account. Yet it is a question of regulating citizens' constitutional freedoms—that is, highly important questions of state and public life.

These issues urgently need legal regulation both in the interests of citizens and in the interests of the state. This is also required, to be blunt, by the strained political situation in a number of regions of the country, where constitutional rights and freedoms are being exploited by extremist elements for anticonstitutional purposes. But the political situation is a poor guide for a legislator. This approach has cost the Soviet people and the country too much in the past. Laws should be created not only with regard to the present but with an eye to the future. And in the future we intend to create a rule-of-law state, one of whose fundamental principles should be not only the responsibility of citizens to the state, but also the responsibility of the state to its citizens. The fate of these acts is now in the hands of USSR Supreme Soviet deputies. We would very much like to hope that in examining them the deputies will demonstrate the same attention and principledness as they did during the discussion of the draft Law on the Procedure for Challenging Official Actions, the Law on the Cooperative System, and the Decree on the Taxation of Cooperatives. The decrees on meetings and demonstrations and on the rights of the internal troops need considerable further work, in order to eradicate the shortcomings in them and provide genuine legal guarantees for Soviet citizens' highly important constitutional rights and freedoms.

Leadership Signs Musician's Obituary
PM2710155388 Moscow PRAVDA in Russian
26 Oct 88 Second Edition p 6

[Obituary of S.V. Turchak]

[Excerpts] Soviet multinational culture has suffered a severe loss. Stefan Vasilyevich Turchak, prominent musical figure, Hero of Socialist Labor, USSR people's artiste, and member of the CPSU, died prematurely 23 October 1988 after a long illness.

S.V. Turchak was born 28 February 1938 in the village of Mackowice, Rzeszow Voivodship (Poland). [passage omitted]

M.S. Gorbachev, V.I. Vorotnikov, L.N. Zaykov, Ye.K. Ligachev, V.A. Medvedev, V.P. Nikonov, N.I. Ryzhkov, N.N. Slyunkov, V.M. Chebrikov, E.A. Shevardnadze, V.V. Shcherbitskiy, A.N. Yakovlev, A.P. Biryukova, A.V. Vlasov, A.I. Lukyanov, Yu.D. Maslyukov, G.P. Razumovskiy, Yu.F. Solovyev, N.V. Talyzin, D.T. Yazov, O.D. Baklanov, A.S. Kapto, Yu.N. Yelchenko, V.A. Masol, V.S. Shevchenko, Yu.P. Voronov, A.N. Aksenov, V.G. Zakharov, I.K. Arkhipov, A.A. Belyayev, L.N. Venediktov, V.A. Gergiyev, D.M. Gnatyuk, S.V. Danchenko, K.Yu. Lavrov, A.N. Lazarev, Ye.S. Miroshnichenko, Yu.A. Olenenko, G.N. Rozhdestvenskiy, Ye.F. Svetlanov, A.B. Solovyayenko, Yu.Kh. Temirkanov, T.N. Khrennikov, Ye.I. Chavdar, Ya.A. Shtogarenko.

Economic

Economic Observer Views 9-Month Plan Results
PM2710143588 Moscow IZVESTIYA in Russian
25 Oct 88 Morning Edition p 1

[Article by IZVESTIYA economic observer V. Roman-yuk: "How We Are Approaching the End of the Year"]

[Text] The USSR State Committee for Statistics report on the results of the country's socio-economic development in the first 9 months of 1988 is published today. Let us highlight some typical current trends. First of all it must be said that the improvement of the economy's health, which was noted at the 19th party conference, is continuing. There was a marked increase in the national income—4.7 percent (compared with 2.4 percent for the same period last year). Moreover, for the first time the entire increase was obtained by improving social labor productivity with an absolute reduction in the number of working people (by 700,000 in industry).

This in itself is evidence of the ever-increasing significance of intensive growth factors. Retooling and reconstruction have become the priority capital investment sphere. The implementation of the state's new investment policy is reflected by the way this sphere develops. It is true that in the third quarter industrial output slowed and the number of unfulfilled contracts and

orders for supplies of industrial goods increased sharply. It has to be said that scientific-technical progress, resource-saving, and quality have not yet become decisive growth factors.

The published materials also lead to the following conclusion: There has been a real turn in the economy toward overcoming the residual principle of providing for the social sphere. This year state capital investments worth R7.6 billion were allocated for these purposes on top of the 5-year plan targets. But not everything is proceeding successfully in the sociocultural sphere. For example, three percent less housing was commissioned than in the same period last year. Deadlines for the commissioning of schools, vocational and technical colleges, hospitals, and health centers were not met. Considering that at the beginning of 1988 some 13.6 million families were down on the list for improved housing conditions, efforts to solve the housing problem must be increased.

There is something else to mention. Complex and at times contradictory processes are taking place in the economy because the obstructions created over many years are having to be cleared. For example you need only take the question of creating a balance between people's monetary incomes and supplies of goods. Over the 9 months the retail trade turnover plan was exceeded by R16.6 billion compared with the same period last year. In terms of group "B" goods the increase over the 9 months was 5.4 percent, but in terms of group "A" goods it was only 3.9 percent. But we still do not have the goods supplies to match people's increased monetary incomes. The average purchase price index is creeping up, which is leading to a fall in people's real incomes.

There also have been some worrying distortions of plan fulfillment indicators. Despite generally modest production growth one suddenly finds a marked—8.7 percent!—overfulfillment of profit targets. What is it—payment for the transfer of enterprises to self-financing? To some extent, yes. The transfer of a considerable number of enterprises to the new management conditions (particularly to the second model of economic accountability, based on normative distribution of income) prompts collectives to increase volumes, reduce outlay, and ultimately achieve an overall increase in profits.

The rapid rise in wages—which was 6.7 percent compared with the same period last year—is another alarm signal. Payments from the material incentives fund increased by 15 percent in industry and 30 percent in construction. One factor here was the mass transfer of enterprises to the new pay conditions. Funds had accumulated over the previous 2 years, but now—as the new wage and salary rates are established—they have begun to migrate to the wage fund. Be that as it may, a situation has now arisen where pay, in terms of its growth rate, is markedly outstripping labor productivity improvement.

Gosbank Aide Discusses Issuing of Plant Shares
PM2710162788 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 21 Oct 88 p 1

[Interview with V. Kulikov, first deputy chairman of the USSR Gosbank Board, by own correspondent L. Telen: "Plant Issuing...Shares"—date and place unspecified; first paragraph is editorial introduction]

[Text] The USSR Council of Ministers has adopted a resolution "On the Issuance of Securities by Enterprises and Organizations." V. Kulikov, first deputy chairman of the Gosbank Board, comments on the resolution at the request of our correspondent L. Telen.

[Telen] For many years our economists thought of shares as a hallmark of "their" way of life. Joint-stock companies, dividends, and exchanges are concepts from the economics textbook that have frightened more than one generation. Yet now the government is giving the go-ahead for shares to be issued.... This seems to attest to a radical break with our economic ideas.

[Kulikov] We are engaged on a radical economic reform, so what is the point in clinging to old dogmas? We propose to use shares to solve certain highly acute economic problems. For instance, our budget expenditure currently exceeds income. Both people and enterprises have considerable amounts of spare cash. So let's give them the opportunity to invest their hard-earned money in shares and, through shares, in economic development. In this way, I think, we will gradually restore the equilibrium between money and goods. We must learn to make effective use of each ruble, putting money to work 24 hours a day. And, furthermore, putting it to work for the good of society. Shares are not the only means to this end, but they are a very effective means.

[Telen] In short, shares can help us to strengthen the money supply?

[Kulikov] Not only that. Securities should ultimately bind the interests of enterprise and worker firmly together. And that is no less important. If your income depends directly on enterprise income—and shares guarantee this connection—you will have a stake in common successes and become real masters of production.

[Telen] Securities have been used for quite some time in the world economy. Do the new Soviet shares have any particular features?

[Kulikov] The resolution we are discussing envisages two types of security—labor collective shares and enterprise shares.

[Telen] It seems to me that labor collective shares will generate particular interest among readers....

[Kulikov] That is probably the case. These securities will be issued at the decision of the collective itself; it will declare the dividends—the level of income. Only collective members will sell the shares; share purchases will be an entirely voluntary matter. The enterprise will invest the money in production.

[Telen] Only production? But is the collective not entitled to use the money as it sees fit? To invest it, if necessary, in housing construction, for instance?

[Kulikov] All that is covered by the resolution. Enterprises can also spend funds obtained from sales of labor shares on their social programs. That is an advantage for each shareholder.

[Telen] But apart from that theoretical advantage, they should also receive direct cash payouts....

[Kulikov] Absolutely! I repeat that the dividend will be declared by the collective itself and will be paid once a year out of the enterprise's profit or income—or rather, out of the material incentive fund.

[Telen] So far as I am aware, many enterprises currently cannot spend these funds. They violate the correlation between wage growth and labor productivity and, in return, the bank freezes some of the money. Can enterprises release this "dead" money to pay dividends?

[Kulikov] No, that is prohibited.

[Telen] Why, exactly? After all, in this way the money frozen in the bank could, albeit indirectly, help to develop production. And if dividends grew, demand for shares would grow too....

[Kulikov] Nonetheless, we feel that such payments would undermine the equilibrium between money and goods still further, and would weaken rather than strengthen the money supply. The reality is that we cannot abandon this restriction.

[Telen] Around the world securities—most of them, at least—entitle their owners to participate in management. Does this mean that only shareholders will be allowed to run production in our country too? What about the democratic principles of management proclaimed by the Law on the Enterprise?

[Kulikov] Shareholders and nonshareholders will be absolutely equal in resolving production problems. The resolution especially stresses that share issues do not alter property relationships: Property will continue to belong to all the people. Thus all collective members will have equal rights. But the income will indeed be different.

[Telen] What amount can workers invest in shares?

[Kulikov] The amount is limited to 20 times' monthly salary, and must not exceed R10,000. There is another restriction. Collectives are entitled to issue securities worth no more than 30 percent of total fixed and circulating capital. But in general, as you have undoubtedly noted, there are few regulations in this area—it is assumed that the initiative will come from below.

[Telen] And yet shareholders' interests are reliably protected....

[Kulikov] That is true. In the event of liquidation, enterprises repay their debt to shareholders on a priority basis. Pensioners, or simply ordinary workers who leave the enterprise, retain the right to their shares and to the dividends accruing.

[Telen] Valerian Nikolayevich, could you now say a few words about the other kind of security—enterprise shares?

[Kulikov] These shares are issued at the decision of the enterprise administration. However, it too is obliged to consult with the collective. The value of the shares should be no more than half of the total amount of fixed and circulating funds. The money earned from their sale will go entirely into production. Other state and cooperative enterprises can buy shares using money from the production development fund. Such shares can also be issued by commercial banks.

[Telen] But what is the point in enterprises issuing shares if they cannot spend their own money as it is—there is no equipment, raw materials, or spare partners?

[Kulikov] I would point out that the issuing of such shares is also a voluntary matter. If you need an influx of money and manage to interest a partner in your projects, then issue shares! If you don't—that is your right.

For enterprises which have spare cash it might be more advantageous to buy shares rather than issue them. Indeed, why not invest money in joint production—all the more so if the other plant cannot manage and needs help? For instance, a sewn goods factory may not like the fabrics supplied to it. So if it helps a partner everyone will benefit!

[Telen] For our financiers, share issues are not just new but difficult. Where can enterprises seek help?

[Kulikov] Above all, at a bank. Its institutions will give permission for the issue and sale of shares. They will not refuse to help economic managers.

[Telen] The first steps have been taken, let's wait for the results. Incidentally, are there any preliminary estimates for the future? What inflow of private savings could shares provide for our national economy?

[Kulikov] You will understand that it is not easy to make accurate estimates. But we assume that the inflow of spare cash into production could be very substantial. We hope that our economic managers and labor collectives will be able to handle these sums to the greatest benefit for the national economy.

Restructuring of Foreign Trade Ties Analyzed
PM2710111288 Moscow PRAVDA in Russian
20 Oct 88 Second Edition p 4

[Article by Doctors of Economic Sciences G. Voytlovskiy and P. Zavyalov: "Crucial Stage: On the Further Development of the USSR's Foreign Economic Ties"; 16 August PRAVDA article referred to appeared in the 30 August Soviet Union DAILY REPORT, p 32]

[Text] On 16 August PRAVDA published an article by A. Ivashchenko entitled "What Hinders Mercury. Foreign Trade on Paths of Restructuring." The views expressed in it are indeed debatable. On reading the article the reader gets the impression that the restructuring of foreign trade has been beset by great problems and has not followed the sensible paths which the worried author recalls.

In our view, this is a simplistic understanding of the problems that exist, divorced from the whole system of economic relations.

So what really is hindering Mercury? It must be admitted that at present his movement is neither as rapid nor as smooth as we would like.

Take, for instance, the principle of the state monopoly of foreign trade. Its essence—the prerogative of state management of foreign trade and of foreign economic ties in general—certainly does not mean the implementation of all the corresponding transactions by just one state organ. The organizational forms of the state monopoly of foreign trade and the composition of the organizations which carry out foreign economic activity on the state's behalf depend on the specific historical situation.

This conclusion, obvious in our view, in no way precludes but on the contrary requires the further scientific development of the principle of the state monopoly of foreign trade. An important part of this work is the comparative analysis of our approach to this problem with the principles of state regulation of the foreign economic sphere adopted in other countries.

Is it expedient today, as A. Ivashchenko says in his article, to combine all questions of the regulation, coordination, and control of the foreign economic sphere in a single state organ that is freed as much as possible from purely commercial activity? It certainly is. In effect this has already been done: In 1986 a permanent organ was created in the government itself—the USSR Council of Ministers State Foreign Economic Commission.

It is highly representative in its composition. The commission includes deputy chairmen of the USSR Council of Ministers, and all the central economic organs and departments directly responsible for various aspects of our foreign economic activity are represented, too. This makes it possible to make decisions which are binding not only on foreign economic organizations but also sectoral ministries and the suppliers and consumers of export-import goods and services. The commission's small working apparatus has been formed not as an "additional organ" but by streamlining and merging existing subunits of the government apparatus engaged on individual questions of foreign economic activity.

By virtue of its status the State Commission is vested with great rights and performs control and coordination functions. True, the emphasis in the commission's work has clearly shifted toward ensuring the process of the real democratization of foreign economic activity in the country. It is common knowledge that in the past 2 years industry's rights in this area have expanded considerably; that its interest has grown not only in trade but also in today's more efficient production, and in scientific and technical cooperation with foreign countries; that direct ties with partners in the socialist countries are increasing; and that joint ventures are gathering momentum. Cooperatives' access to the foreign economic sphere is also expanding.

Work is under way to eliminate cumbersome bureaucratic superstructures. A new USSR Ministry of Foreign Economic Relations, one more oriented toward present-day tasks, was formed recently after considerable streamlining and unification of the previously separate Ministry of Foreign Trade and the State Committee for Foreign Economic Relations. In the opinion of a number of specialists, the apparatus of the new ministry is still large and furthermore there is as yet no clarity in the formulation of its functions and the structure needs to be further refined.

The process of improving the organization of the management of the foreign economic activity of ministries and departments is progressing intensively. The task is to create compact and flexible management structures which correspond as much as possible to the current stage of the foreign economic reform. The elaboration of the foreign economic strategy of sectors and the whole national economy must be an integral part of their activity, closely linked with the choice of scientific, technical, and production policy. It is this triad, as world experience shows, that is the guarantee of the country's economic success, in the foreign economic sphere as well. Only time will tell if ministries and departments will be able to do this work in their present form. Perhaps it will require better integrated management organs heading the key comprehensive sectors of the national economy. The measures of the internal economic reform, above all real economic accountability, and the deepening process of democratization must serve as a powerful barrier against their bureaucratic revival and growth.

The foreign economic activity of the main link of our economy—enterprises—needs particular attention. Our industry—which has long remained debarred from direct participation in foreign economic ties, does not have the appropriate cadres or work experience in the world market, and most importantly has not acquired the knack of developing and producing competitive goods—is now experiencing a painful stage of “growth” into economic (including foreign economic) independence. At this stage the likelihood of mistakes is great, but this is the regrettable price of the economic short-sightedness which prevailed for years.

The well known difficulties of the restructuring of the economic mechanism materialized sooner and more acutely in industry's foreign economic activity than they did in domestic economic affairs, because of the priority character of the foreign economic reform that is being conducted. A dangerous gap emerged between the rights granted to enterprises and the real opportunities to exercise them. The shortage of capacities fully activated by the state order, the notorious “leftover” principle in the allocation of export funds, and the consequent natural absence of the reserve which is so necessary for a prompt and flexible response to the foreign economic situation have had a particularly adverse effect.

It is our deep conviction that a solution to the fundamental problems of foreign economic activity depends to a decisive extent on the pace and depth of the implementation of the reform of the USSR's economic mechanism as a whole. The switch to wholesale trade in means of production (the elimination of the established system of quotas) and the progressive restrictions on the size of the state order to enterprises are of paramount significance.

The procedure for entering the foreign market also needs further refinement. Enterprises, guided by the principles of economic advantage, must choose their own ways and means of carrying out foreign trade operations. Only when there are several alternative ways of entering the foreign market is it possible to establish real contractual relations between producers and foreign trade organizations, or the direct consumers, whereby the economic conditions for the sale or acquisition of goods are part of the contract. In this connection it is expedient to remove from foreign trade associations and firms the administrative restrictions on the export and import product mix.

The planned reform of price formation will clearly create the necessary preconditions for a revision of the official exchange rate of the ruble. The establishment of a new, realistic rate for the ruble will make it possible to switch from the system of payments for exports and imports using differentiated currency coefficients to payments based on a new single currency rate of the USSR Gosbank.

It is necessary to pay the producer a subsidy from the budget for goods supplied for export in accordance with a state order if those goods result in a loss for enterprises.

In other words, if the enterprise does not control the type and quantity of output that it supplies for export, or the currency zone to which the goods are being supplied and the terms of that supply, it must be compensated for its production costs.

The system of enterprises' foreign currency self-financing needs improvement. Let us suppose that all the foreign currency earnings from the export of goods or services are paid to the enterprises immediately on receipt from the foreign customer. After that a part of the earnings must be paid to the centralized state funds, with appropriate compensation in rubles. The proportions of the distribution of foreign currency earnings can be differentiated according to sectors and take account of the area of use of the foreign currency for different groups of producers.

We believe that initially a considerable number of processing sectors of industry, on the basis of economically accountable foreign currency self-financing, will not be able to carry out retooling and modernization on the necessary scale, because the existing gap between volumes of export and the imported equipment that they use is extraordinarily large. To create the conditions for their retooling it would be advisable in the 5-year plans to set sectoral normatives for the exchange of their economically accountable investment resources for transfer rubles and freely convertible currency. Their size can take into account both the actual amount of imported equipment used in the sector as well as future changes in that amount in the light of plans, for example, for the development of Soviet machine building.

Suggestions have already been made in the press on the organization in the country of a currency market for Soviet enterprises and organizations. Such a market, along with foreign currency loans from the USSR Bank for Foreign Economic Activity, could be an important additional source of finance for enterprises' economic activity.

The implementation of profound structural changes in the country's exports presupposes the implementation of a more purposeful national economic policy along with the further intensification of enterprises' economic interest in exporting. Within the framework of long-term and 5-year planning it is necessary to ensure the elaboration of intersectoral and sectoral programs for the development of the country's export base, providing for an accelerated increase in the production of forward-looking competitive output. First and foremost in high technology sectors.

The establishment of the long-term areas for the improvement of the export base of industrial sectors with their subsequent centralized financing increases the urgency of the elaboration of a scientifically validated program for the development of the USSR's foreign economic ties. Such a program, based on forecasts of the

development prospects of world economic ties and structural changes in the world economy, as well as a consideration of the potential of the country's national economy, would define the main areas for the development of its export base, the scale and areas of use of imported equipment, technology, and capital, as well as ways to improve the forms of the organization and management of foreign economic ties.

The vastness of the country's territory and the different degree of involvement of individual regions in the international division of labor and priority of their economic development dictate the need for the formulation of regional aspects in foreign economic policy. As M.S. Gorbachev noted in his speech in Krasnoyarsk, measures are being elaborated for the creation of a "preferential regime" for the foreign economic ties of Siberia and the Far East. It is important to adopt a differentiated approach in this respect to other maritime and border regions in the light of their specific circumstances, of course.

Many other problems also need to be resolved. The end result will depend to a large extent on the skillful linkage and mutually stimulating influence of the foreign and domestic economic reforms. Only their consistent implementation will provide us with compact management structures, a dynamically developing market, and competitive goods, and ensure our state a fitting place in the world economy commensurate with its economic, scientific, and technical potential.

Scientific

Cosmos-1978 Satellite Launched 27 Oct
LD2810093288 Moscow TASS in English 0926 GMT
28 Oct 88

[Text] Moscow October 28 TASS—The Soviet Union launched an earth satellite of the Cosmos series on October 27, 1988, using a Soyuz booster. The satellite, Cosmos 1978, is carrying scientific equipment designed for the exploration of outer space.

The satellite has been placed in the orbit with the following parameters:

- Initial period of revolution—90.2 minutes,
- Maximum distance from the Earth's surface—394 kilometres,
- Minimum distance from the Earth's surface—206 km,
- Inclination of the orbit—72.9 degrees.

The satellite also has:

- a radio system for the precise measurement of orbit elements,

- a radio telemetry system for the transmission of information about the operation of gauges and scientific equipment to ground control.

The on-board equipment is functioning normally.

The coordinating and computing centre is processing incoming information.

Shuttle System Launch Preparations Continue

TASS Reports Final Operations
LD2710142888 Moscow TASS in English 1408 GMT
27 Oct 88

[Text] Baykonur Cosmodrome October 27 TASS—By TASS special correspondent Valentin Ovcharov:

Final operations are under way on Baykonur Cosmodrome for the maiden flight of an Energiya space transportation system consisting of an Energiya heavy-lift booster rocket and a reusable spaceship called the Buran, or snowstorm.

The new multipurpose Energiya launch vehicle, which blasted off for the first time from here May 15 last year, is capable of putting a more than 100-ton payload into orbit.

The payload, which can be anything, is mounted piggy-back rather than riding atop the rocket.

The payload during last year's flight was a full size and weight mockup of a satellite, while now its place has been taken by the Buran orbiter.

No photograph can convey the strong impression one gets from seeing the unusual, mighty new system in real life.

One is apt to pay attention also to silver-colored spherical tanks not far from the Energiya.

The tanks, a Cosmodrome specialist explained to me, hold some 5,000 tons of fuel components—thousands of tons of oxygen, hundreds of tons of liquid hydrogen and thousands of tons of liquid nitrogen.

There is a multitude of enormous bottles nearby, containing tens of tons of helium under a pressure of 400 atmospheres.

All this will be needed when fueling begins.

The launch pad is a ferro-concrete structure with special grips holding the rocket and with pneumohydraulic and electric cable connectors.

Besides three towering masts, one's eye is struck by two tunnels, each up to three meters in diameters. Running almost parallel, they go from an underground bunker to an unusual airlock on the same level as the Buran's cabin.

It is via one of them, I was told, that the cosmonauts will be brought during future missions to the spaceship by dint of special trolleys, while the other is intended as an emergency escape route. Thanks to the ingenious design of a chute inside the latter tunnel, the escape won't take more than 15 seconds.

Launch specialists have made several thousand different checks to verify that the space transportation system is ready for fueling.

Moscow TV Shows Preparations

LD2710224788 [Editorial Report] Moscow Television Service in Russian at 1530 GMT on 27 October in its "Vremya" newscast broadcasts a 1.5 minute video report from Baykonur on preparations for the launch of the "Buran" shuttle.

Correspondent S. Slipchenko reports that access to the area is being restricted. The "Energia" rocket is being prepared to receive liquid oxygen and hydrogen. Preparations are to start "late tonight" and they will take "perhaps more time" than the fuelling itself.

The correspondent observes that at temperatures of minus 255 degrees Celsius even metal becomes brittle. Slipchenko says that new materials have been specially devised for the "Energia" rocket. The video shows "Buran" standing upright and attached to the "Energia" rocket on the launch pad, shots of installations at the launch site.

Over file footage of the "Buran" craft being assembled, Slipchenko says the whole surface, apart from the glass in the cockpit and the undercarriage, is covered with heat-resistant tiles. The video then shows close-up shots of the

tiles. Slipchenko says the "Buran" cargo compartment can hold three Zhiguli cars "and there will still be space to spare." The video then shows various shots of the shuttle under construction.

To the camera, Slipchenko muses on the many hidden electronic operations that make the spaceship function, but which it is impossible to show.

Modified Bomber Delivers Parts

LD2710201688 Moscow TASS in English 1932 GMT
27 Oct 88

[Text] Moscow October 27 TASS—Large-size components of the Soviet booster rocket Energia and the reusable spaceship Buran (Snowstorm), now poised for Saturday's launch at Baykonur Cosmodrome, have been carried there from assembly factories by a plane specially developed for the purpose, a local newspaper reported today.

The VECHERNYAYA MOSKVA (EVENING MOSCOW) daily said the aircraft selected as the basis for that work has been the 201M strategic bomber: It is only a large plane boasting excellent performance characteristics that could carry cargoes reaching eight meters in diameter and weighing more than 40 tons.

Besides, the bomber had high aerodynamic qualities to offset the colossal drag to be created by a giant cargo riding piggyback on it.

On top of that, the plane's undercarriage has been designed in a way to prevent cross winds from interfering with takeoff and landing.

For the aircraft to perform its new job, its body had to be made seven meters longer.

The single-fin tail had to be replaced with a two-fin unit to give the plane greater stability and, even more importantly, to eliminate the strong swirling flow of air from the cargo.

The resultant plane, the paper said, is a new aircraft capable of carrying cargoes 2.5 times the diameter of its own body at a speed of around 600 kilometers per hour.